

ECONOMIC DEVELOPMENT COMMITTEE

DATE: May 20, 2009

CALLED TO ORDER: 5:01 p.m.

ADJOURNED: 6:32 p.m.

ATTENDANCE

ATTENDING MEMBERS

Jeff Cardwell, Chair
Jose Evans
Barbara Malone
Michael McQuillen
Mary Moriarty Adams

ABSENT MEMBERS

Doris Minton-McNeill
Ryan Vaughn

AGENDA

PROPOSAL NO. 148, 2009 - approves statement of benefits for four applicants to allow partial tax abatements for those properties located in a designated Economic Revitalization Area as per IC 36-7-15.1-26
"Do Pass" Vote: 5-0

Presentation on Indianapolis Downtown, Inc. – Terry Sweeny, Vice President of Real Estate Development, and Julia Watson, Vice President of Marketing and Communications

Presentation on Conexus Indiana – David Holt, Vice President, Operations and Business Development

ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee of the City-County Council met on Wednesday, May 20, 2009. Chair Jeff Cardwell called the meeting to order at 5:01 p.m. with the following members present: Jose Evans, Barbara Malone, Michael McQuillen and Mary Moriarty Adams. Absent were Doris Minton-McNeill and Ryan Vaughn.

PROPOSAL NO. 148, 2009 - approves statement of benefits for four applicants to allow partial tax abatements for those properties located in a designated Economic Revitalization Area as per IC 36-7-15.1-26

Maury Plambeck, Director, Department of Metropolitan Development (DMD), stated that this is the first time that DMD is dealing with tax abatements. He said that a new law was passed by the state legislature in July 2009. Mr. Plambeck stated that the new law adds one more step in approving tax abatements, which is Council approval of the statement of benefits.

Mr. Plambeck stated that tax abatements are abatements of new taxes that would relate to new development on a property. He said that the abatement could go anywhere from one to ten years, with ten years being the maximum. The first year of the abatement is the greatest amount, and then it goes down each year until the end of that period when all of the new taxes are being paid. Mr. Plambeck stated that DMD works closely with Indianapolis Economic Development, Inc. (IEDI) to help businesses expand in Marion County and to recruit new business. Mr. Plambeck stated that IEDI looks at a variety of things when they are talking to the businesses. They look at job retention, job creation, how much capital is being invested in the property and if there is competition to receive businesses. Mr. Plambeck stated that DMD staff looks at other things in addition to what IEDI looks at. He said that DMD looks at taxes currently being paid on the property in question, zoning and recommended use, location within a Tax Increment Financing (TIF) district and feedback from the Mayor's Neighborhood Liaisons. Mr. Plambeck stated that once all that information is gathered, it is determined if there will be a tax abatement recommended, and if so, for how long.

Mr. Plambeck stated that granting of the tax abatement is a two-stage process that requires the Metropolitan Development Commission's (MDC) approval of both a preliminary and final resolution. He said that the preliminary resolution recognizes that the property and equipment to be abated is eligible for tax abatement. He said that the final resolution is open for public hearing; notice is posted in the newspaper ten days prior to the hearing. In addition, notices are sent to all taxing authorities that would be impacted, registered neighborhood organizations and the district Councillor for that area. Mr. Plambeck stated that if the property is located in an Economic Revitalization Area (ERA), a statement of benefits must also be approved by the City-County Council.

Mr. Plambeck stated that once that process is completed, the DMD staff annually reviews all of the entities that receive tax abatement. He said that the entity has to file a document that states that they are in compliance and must respond to the DMD Tax Abatement Program Survey. He said that if that entity is not in compliance, DMD will work with them to make sure that they are, or DMD will go back to the MDC and have the tax abatement removed. Mr. Plambeck stated that in the statement of benefits, a business submittal includes a description of the project, an estimate of individuals who will be employed or whose employment will be retained, the estimate of the salaries related to those individuals and an estimate of the value of the development.

Chair Cardwell asked what the reason is for this proposal coming to the committee at this time. Mr. Plambeck stated that DMD was not aware of the new change in the law. He said that DMD found out that it was submitted by another city outside of Marion County, and that is why DMD was not aware of it. He said that once they became aware, they brought all four businesses through the process within MDC. He said that one of the companies, MidWest Logistics, LP is on the right track and has not been approved by the MDC. The other three companies, GyanSys, Inc.; McGowan Legacy, LLC; and American Institute of Toxicology, Inc. have been approved by MDC, but the tax abatements cannot be effective unless approved by the Council. Chair Cardwell asked with regard to the three that have gone through the process with MDC, if DMD has any idea of how those companies are performing according to their predictions. Stephanie Quick, Assistant Administrator, Department of Metropolitan Development (DMD), stated that three of the businesses that were approved in 2008 will not be surveyed until later because of the ramp-up period, in order for them to make the investments. She said that at this point, DMD does not have an idea on how they are doing. She said that they can get this information for the committee. Chair Cardwell asked when DMD will expect to get the first report. Ms. Quick stated that the ones granted abatement in 2008 will not be surveyed until late 2009.

Councillor Malone asked if McGowan Legacy is requesting abatement on improvements to office space. Ms. Quick answered in the affirmative. Mr. Plambeck stated that the property was previously publicly owned and not paying taxes. Councillor Malone asked if the property is located at 10 West Market Street. Ms. Quick answered in the negative, stating that the property is located at 340 North Capitol Avenue, and was a state-owned property that was a former parking lot. She said the space at 340 North Capitol is receiving the tax abatement.

Chair Cardwell asked how important this process is for the Indianapolis community to be competitive. Mr. Plambeck stated that it is very important. He said that Indianapolis is one of the most successful Midwestern cities. He said that if Indianapolis does not have the tools to compete with other cities throughout the nation, people will go to cities that might have a better climate. Mr. Plambeck stated that it is important to have a job base for this City to grow, to support the services offered, and to compete within the region.

Nick Weber, Deputy Mayor of Economic and Workforce Development, stated that the city needs to help companies overcome the issues that they come across that prevent

them from growing and potentially relocating. He said that putting people to work, creating wealth, families, neighborhoods and communities is of the utmost importance. Mr. Weber stated that he is excited about all four projects. They have good merits, and the city wants to keep doing more.

Councillor McQuillen moved, seconded by Councillor Moriarty Adams, to send Proposal No. 148, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

Presentation on Indianapolis Downtown, Inc – Terry Sweeney, Vice President of Real Estate Development and Julia Watson, Vice President of Marketing and Communications

Mr. Sweeney stated that the downtown area is bounded by the North side of 16th Street, I-65/70 on the East, I-70 on the South and essentially, the west bank of the White River. Mr. Sweeney stated that IDI works with public and private sectors to strategically plan and develop Downtown and actively recruit retail, restaurant and residential developments. He said that IDI manages downtown to make sure it is operated well, and is safe, clean, accessible and beautiful. Mr. Sweeney said that IDI markets downtown to tell the story of downtown as a premier place.

Mr. Sweeney discussed in detail the Downtown Economic Indicators, which are the benchmarks of downtown to help IDI with planning and allocating their resources and priorities. He distributed a handout detailing some information about IDI (attached as Exhibit A). Some key points include:

Completed Downtown Projects by Year

- 26 projects worth \$1.4 billion were completed in 2008, resulting in a 418% increase in value from 2007.
- Since 1998, there were 307 projects totaling \$5.3 billion completed.

Councillor McQuillen asked if Mr. Sweeney knows why there was a dip in projects for 2007. Mr. Sweeney stated that it was more of how the projects fell and how they were completed.

Downtown Office Vacancy

- Office vacancy rate in 2008 was 15.26%, resulting in a 13% increase compared to 2007.
- Increased office space by two percent to 10.7 million square feet.
- Increase in vacancy rate since 2001.

Mr. Sweeney continued with his presentation discussing the number of single-family homes and condominiums sold by year. He said that the source of this information is from the Metropolitan Indianapolis Board of Realtors (MIBOR) within the geography of downtown. Some key points are:

- In 2008, 45 single-family homes were sold, resulting in a 20% decrease compared to 2007.
- In 2008, 115 condominiums were sold, resulting in a 39% decrease compared to 2007.

{Clerk's Note: Councillor Moriarty Adams left at 5:27 p.m.}

Mr. Sweeny stated that the average number of single-family homes in the downtown area fell slightly, as well as the condominiums. He said that since 2000, the city has had about 2,800 new condominiums come online. Mr. Sweeny stated that while that has happened, IDI has not seen an erosion of the average sale price of single-family homes in the historic neighborhoods. He said with an entire new inventory, the single-family market might be hurt, but in fact, they have seen the opposite of that.

{Clerk's Note: Councillor Evans left at 5:29 p.m.}

Mr. Sweeny stated that in 2008, the average vacancy rate of downtown apartments increased to 5.2%. He said that this is a reflection of a new 163-unit apartment complex called the Waverly. He said that they were in what is called the lease-up mode, so they were at full occupancy because they were still building and trying to lease the spaces as they were coming online. Mr. Sweeny stated that the average rental rate has steadily increased, which now stands at a \$1.08 per square foot.

Mr. Sweeney stated that another important customer base for downtown is the university population. He said that between Indianapolis University- Purdue University of Indianapolis (IUPUI), IVY Tech and Indiana Business College, there are a total of 48,000 students that live in and around downtown.

Ms. Watson continued the presentation, discussing how the downtown area is a destination and how downtown is managed. She said that in 2008, a total of 7.9 million visits were made. Ms. Watson stated that the Indianapolis/Marion County Public Library (IMCPL) was one of the big attractions, with over one million visitors. Ms. Watson stated that the percentage of Marion County residents who have recently visited downtown is 85% in 2008.

Ms. Watson stated that with the downtown hotel occupancy, it has been relatively stable at 62%, compared to 63% in 2007. She said that the data for this research comes from Smith Travel Research (STR) in partnership with the Indiana Convention and Visitor's Association (ICVA) which reflects occupancy downtown and the eastside campus. She said that STR packages the eastside with downtown, because there are not enough hotels on the eastside to form its own tracking base. Ms. Watson stated that the average hotel room rates of \$116.97 have been stable compared to 2007. Ms. Watson stated that the number of convention delegates in 2008 increased by 18%.

Ms. Watson stated that residents were asked in the bi-annual survey if they agree or disagree that downtown is clean. She said that 81% agreed that it was clean. Councillor McQuillen asked if the panhandlers figure into the numbers. Ms. Watson stated that they do figure in, but there is not a specific question about panhandling. There is, however, a question about the perception of safety in the downtown area.

Chair Cardwell stated that the Capital Improvement Board's (CIB) financial issues have been the topic of the news, and IDI is in contact with a lot of the businesses. He asked how important it is to solve the CIB crisis and what kind of impact that will have on the city. Ms. Watson stated that a healthy, vital and functioning convention industry is important to downtown. She said that with some of the major businesses, half of their traffic and sales are driven from a convention audience, rather than a local resident or downtown employee. She said that convention visitor's are very important to the economy. Ms. Watson stated that it is also important to have a strong solution to the CIB issues.

Ms. Watson stated that just as it is competitive to bring businesses into downtown; it is extremely competitive to bring a convention group downtown. She said that there has been some fluctuation in the number of convention delegates. She said that Indianapolis has lost important convention groups, like Performance Racing Industry (PRI). She said that they were a large solid spending group that came to Indianapolis; it was actually here the first week of December. That type of group, at that time of the year, is a trifecta. Chair Cardwell asked why Indianapolis lost that business. Ms. Watson stated that PRI moved to Orlando, Florida. Mr. Sweeny stated that they outgrew the facilities.

Councillor Malone asked how IDI defines downtown. Ms. Watson stated that IDI defines downtown as the regional center, being bounded by the North side of 16th Street, I-65/70 on the East, I-70 on the South, and the westside of the White River. Councillor Malone stated that a certain number of graphs in the presentation do not define downtown the way Ms. Watson explained. Ms. Watson stated that IDI works with Indianapolis Metropolitan Police Department (IMPD) downtown district and the reporting organizations such as MIBOR. Mr. Sweeney stated that generally speaking, the office market will reflect IDI's boundaries, but they use the industry standards that best represent downtown. Councillor Malone stated that for many people, downtown means a variety of things. She said that someone coming from a different county could consider being at the Children's Museum as downtown Indianapolis. Mr. Sweeny stated that from a destination and attraction package, IDI considers those entities as part of the downtown package but not in the downtown geography. He said that IDI tries to stay as true as they can to the geography of downtown for tracking purposes. Ms. Watson asked Councillor Malone if there was a specific area that stands out to her. Councillor Malone stated that the changes between the surveyed boundaries for the average sale price for downtown homes and condominiums and the apartments stand out. Mr. Sweeny stated that looking at the sources they receive, MIBOR actually uses their data and manipulates it so that they can discuss specific streets and reflect the boundaries of the regional center. Whereas, the people that IDI utilizes that provide information for the

downtown apartments develop what they call the downtown sub-market, and their sub-market is used by other industry analysts in their geography. He said that is the best square peg in a round hole that IDI can get to reflect the downtown market.

Councillor Malone stated that she has to look at the geography from this stance because when IDI is receiving secondary information and not surveying it, the changed boundaries for different areas, she has to question the accuracy of that information that is brought before the committee. Ms. Watson stated that the information is accurate.

Councillor Malone asked for an explanation between A and B apartments. Mr. Sweeny stated that those are apartments that are generally above 25 units and of a certain standard level. Councillor Malone asked if A and B apartments are classified as affordable housing. Mr. Sweeny answered in the affirmative. Councillor Malone stated that when she thinks of affordable housing, she thinks of modest living in which students and individuals that have average median income can afford to live. She said that she does not see that in downtown Indianapolis as being a part of the attraction or welcome to downtown Indianapolis in terms of there being truly affordable housing and that emphasis being there. Mr. Sweeny stated that the number of affordable housing units that have come online since 2000, has been very substantial.

Councillor Malone asked what is being said or done about mass transportation into downtown. Chair Cardwell stated that the committee will hear a presentation from the Mass Transit Taskforce in the near future regarding mass transportation, and will hear a little bit from the next presenters at this meeting.

Councillor McQuillen stated that with the CIB financial issue, one thing that is being considered is a hotel/motel tax increase. He asked how that will affect the overall picture and package as far as IDI is concerned. Ms. Watson stated that it would increase wherever the tax increase is applied. She said that no one sector of the industry can bear the entire burden, and every aspect has to share the load. Councillor McQuillen asked if that includes the donut counties. Ms. Watson stated that it may not include the donut counties, but they have to look at a number of different mechanisms in order to get the total figured that is needed. She said that hotel/motel tax alone will not cover it. Mr. Sweeny stated that in order to be successful, they really have to spread the burden so that no one particular industry is hurt.

Chair Cardwell asked if there has been any thought from IDI about the combination of those taxes being shared, to a point where there has been discussion with the business community, and who IDI would want to share that burden with. Ms. Watson stated that IDI is trying to understand how the constituents and the market are reacting before they weigh in to say which combination will be most effective.

Ms. Watson continued with her presentation discussing sidewalk cleanliness, parking affordability and ease, and safety while visiting downtown. Some of those points are:

- Ninety-one percent of sidewalks were rated clean in 2008, resulting in a 34% increase from November 2000.
- Forty-nine percent of Central Indiana residents indicated that it is easy to find parking downtown.
- Sixty-nine percent of downtown users stated that parking is very to somewhat affordable.
- Sixty-two percent of downtown users indicated that downtown is safe.

Chair Cardwell thanked Mr. Sweeny and Ms. Watson for their presentation. He asked if Ms. Watson could provide the phone number and website for IDI. Ms. Watson stated that the phone number is 317-237-2222, and the website is www.indydt.com.

Presentation on Conexus Indiana – David Holt, Vice President, Operations and Business Development

Mr. Holt stated that Conexus Indiana is an entity that was created by the Central Indiana Corporate Partnership (CICP). He said that CICP was created to be a capacity builder for the City of Indianapolis and the surrounding counties. Mr. Holt stated that Conexus is the front end of the ideas to make sure things happen before economic developers go out into the community to improve the conditions to try and attract businesses. Mr. Holt stated that Conexus was created after some studies that indicated Indianapolis and the surrounding areas have five key clusters; Advanced Manufacturing, Logistics, Financial Services, Technology and Life Sciences.

Mr. Holt reviewed a powerpoint presentation in detail (attached as Exhibit B). Some key points are:

Manufacturing

- 565,000 Hoosiers work in manufacturing.
- 75,000 logistics workers embedded in manufacturing operations.
- Indiana manufacturing jobs pay 40% more on average than the state's per capita income.

Logistics

- Logistics employs more than 250,000 Hoosiers.
- An increase of 20% in logistics jobs has been predicted for Central Indiana over the next five years.
- Logistics jobs on average pay 30% more than the state's per capita income.
- Indiana ranks among the top 10 in interstate access, rail miles and air cargo shipments.
- Logistics yields high-tech opportunities.

Mr. Holt stated that Indiana is also the perfect crossroads for a global supply chain. He said that Indiana has a great location, being right in the middle of the country. He said Indiana is extremely well positioned for trucking, rail and maritime shipping.

Mr. Holt stated that Conexus Indiana has three strategic priorities; building a world-class workforce, changing perceptions and enhancing public awareness of manufacturing and logistics, and connecting for growth and new business opportunities.

Mr. Holt continued with his presentation discussing the Logistics Council Executive Committee. He said that this committee is made up of 30 Chief Executive Officers (CEOs) from around the state in all modes of transportation. Some key points are:

- Infrastructure – create a comprehensive list for short, medium and long-term road, airport, waterways and railroad projects, along with cost and statewide impact.
- Public Awareness – create a media and grassroots strategy that will bring better understanding of logistics.
- Public Policy – identify and recommend innovative public policy solutions with costs.
- Workforce Development – develop state of the art education programs in content and delivery that align with industry needs.

Mr. Holt stated that Conexus was asked by Marion County and the surrounding counties to do a study on the feasibility of Avon Yard, which is a CSX rail yard in Avon, Indiana. He said that Avon Yard has a shipping service that is not direct. He said that if Indianapolis had direct shipping service; it would be much cheaper than having to switch things over. Chair Cardwell asked if Avon Yard is the same as an inland port. Mr. Holt answered in the affirmative.

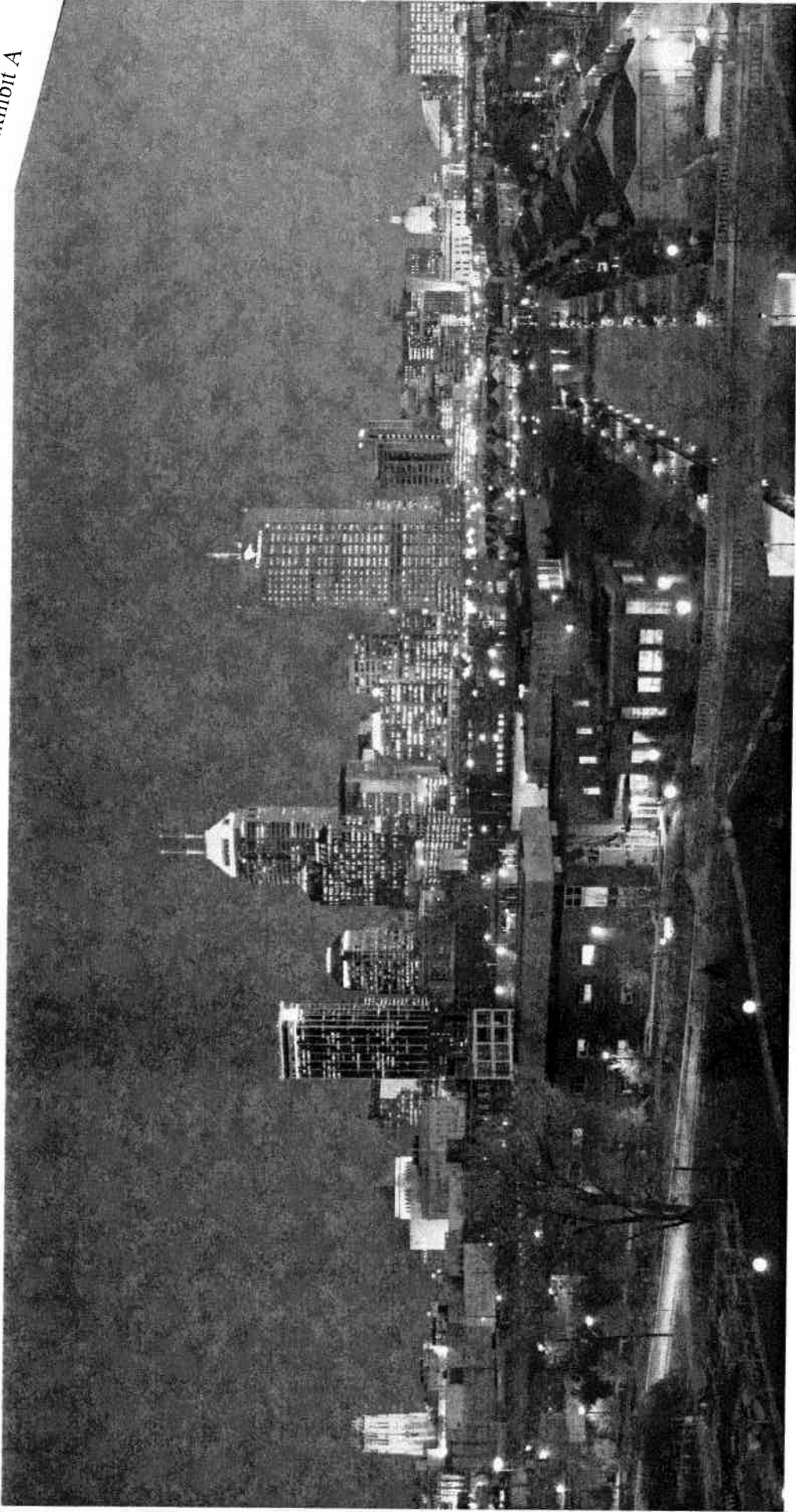
Chair Cardwell thanked Mr. Holt for his presentation and asked if he would provide contact information for Conexus. Mr. Holt stated that the phone number is 317-638-2104, and the website is www.conexusindiana.com.

With no further business pending, and upon motion duly made, the Community Affairs Committee of the City County Council was adjourned at 6:32 p.m.

Respectfully Submitted,

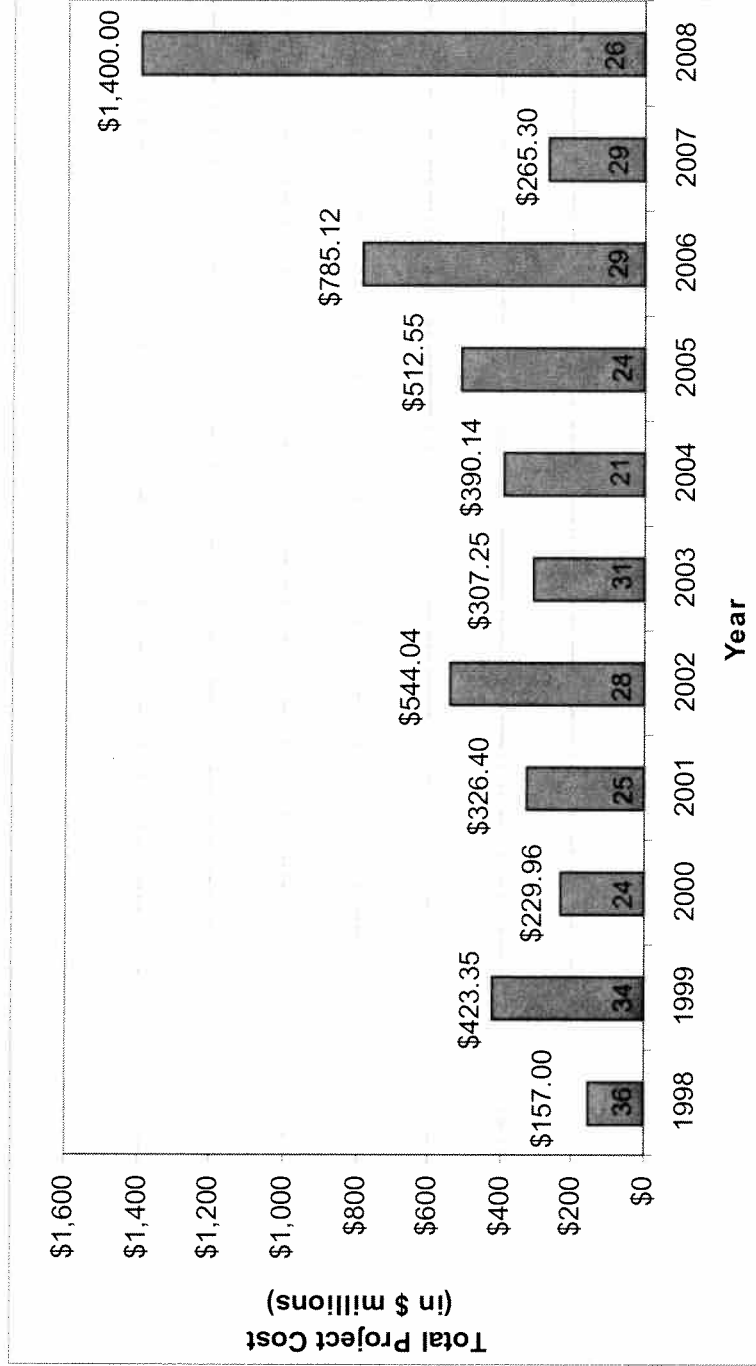
JC/lw

Jeff Cardwell, Chair



Downtown Indianapolis 2008 Year End Economic Indicators

Completed Downtown Projects by Year

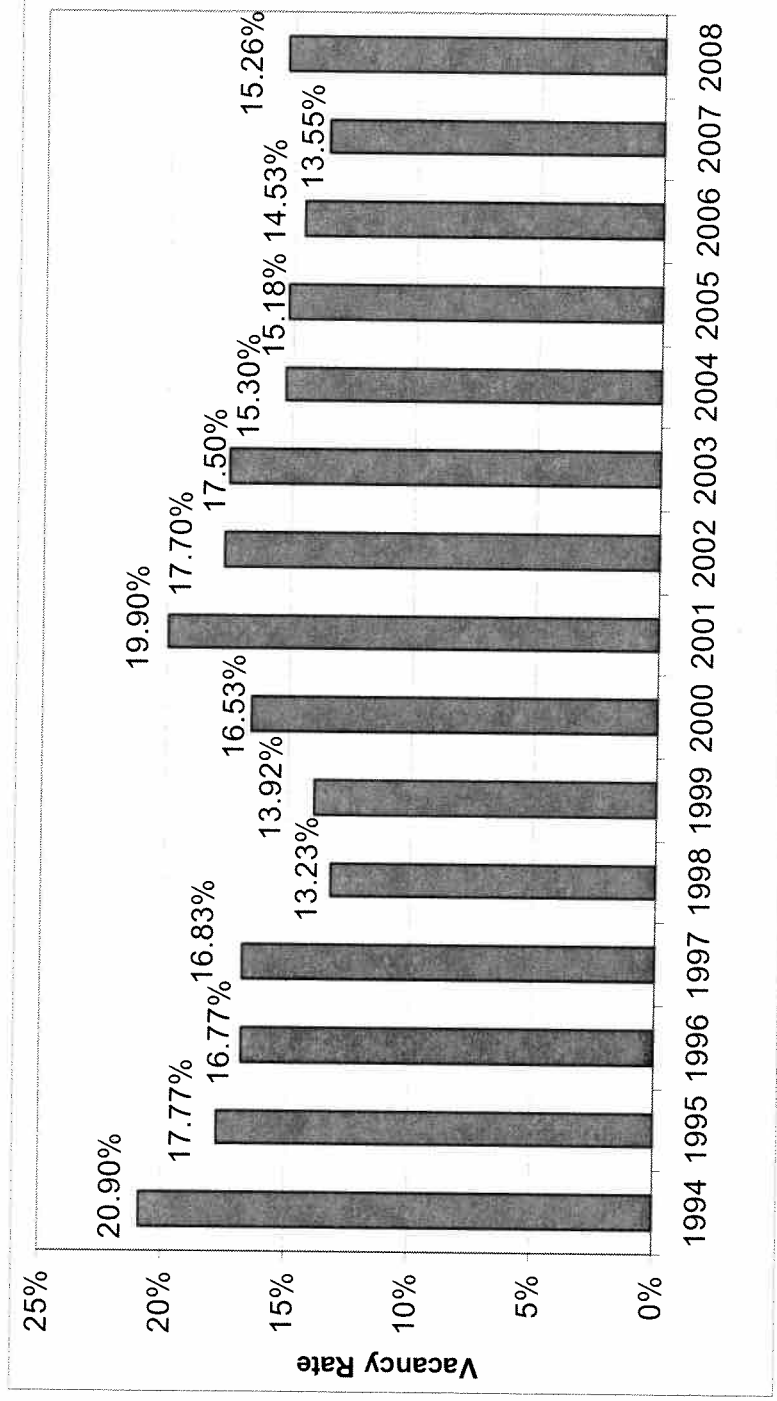


Source: Individual project developers and Indianapolis Downtown, Inc.

Note: Includes revised figures from previous years.

In 2008, 26 projects totaling nearly \$1.4 billion were completed, a 418 percent increase in value from 2007. Completed major Downtown projects included: The Broadbent Company headquarters, Buckingham Companies headquarters, Clarian Health: Education and Resource Center (ERC) Phase I, Eli Lilly and Company expansion: Biotechnology Research Lab K362, Indiana University Melvin and Bren Simon Cancer Center, Lucas Oil Stadium and WFYI TelePlex headquarters. Since 1998, 307 projects totaling more than \$5.3 billion have been completed.

Downtown Office Vacancy - Fourth Quarter



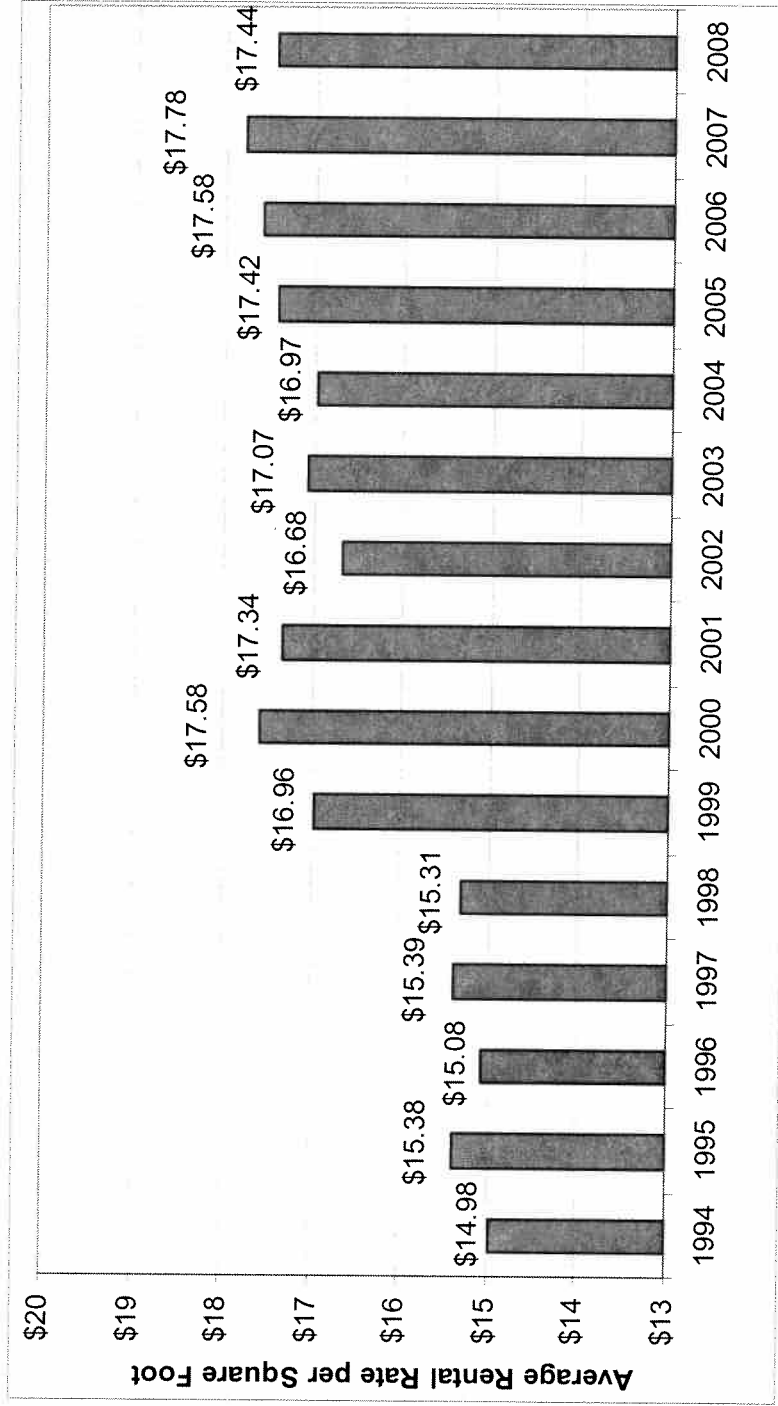
Source: CB Richard Ellis

Note: Fourth quarter average.

Note: In 2004, revisions were made to some buildings' Rental Building Area (RBA).

In 2008, the office vacancy rate was 15.26 percent, a 13 percent increase compared to 2007, yet a 27 percent decrease compared to the 1994 vacancy rate. This is the first vacancy rate increase since 2001.

Average Quoted Downtown Office Rental Rate for All Classes

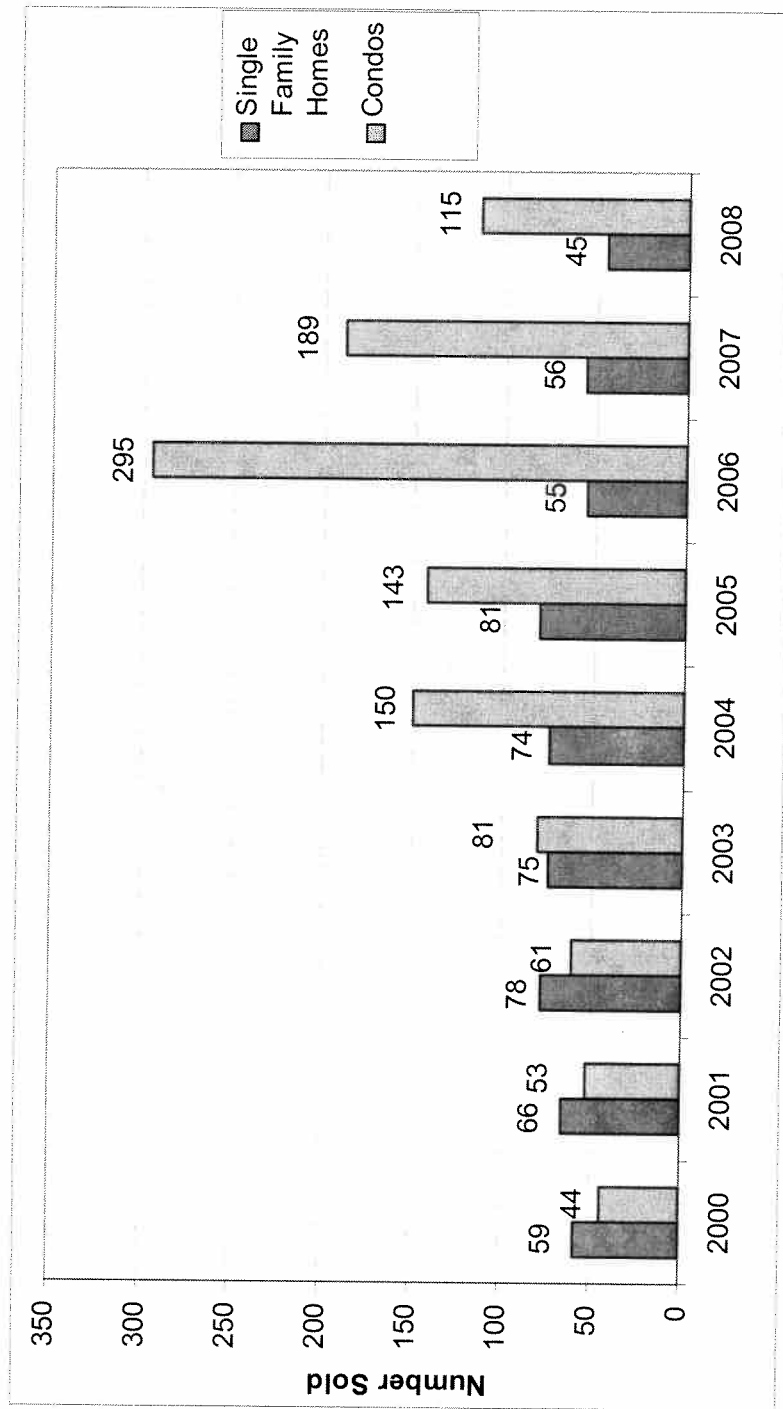


Source: CB Richard Ellis

Note: Includes revised figures from previous years.

In 2008, average quoted rental rate for all classes of Downtown office space was \$17.44, a 2 percent decrease compared to 2007, yet a 16 percent increase compared to 1994.

Number of Downtown Homes and Condominiums Sold



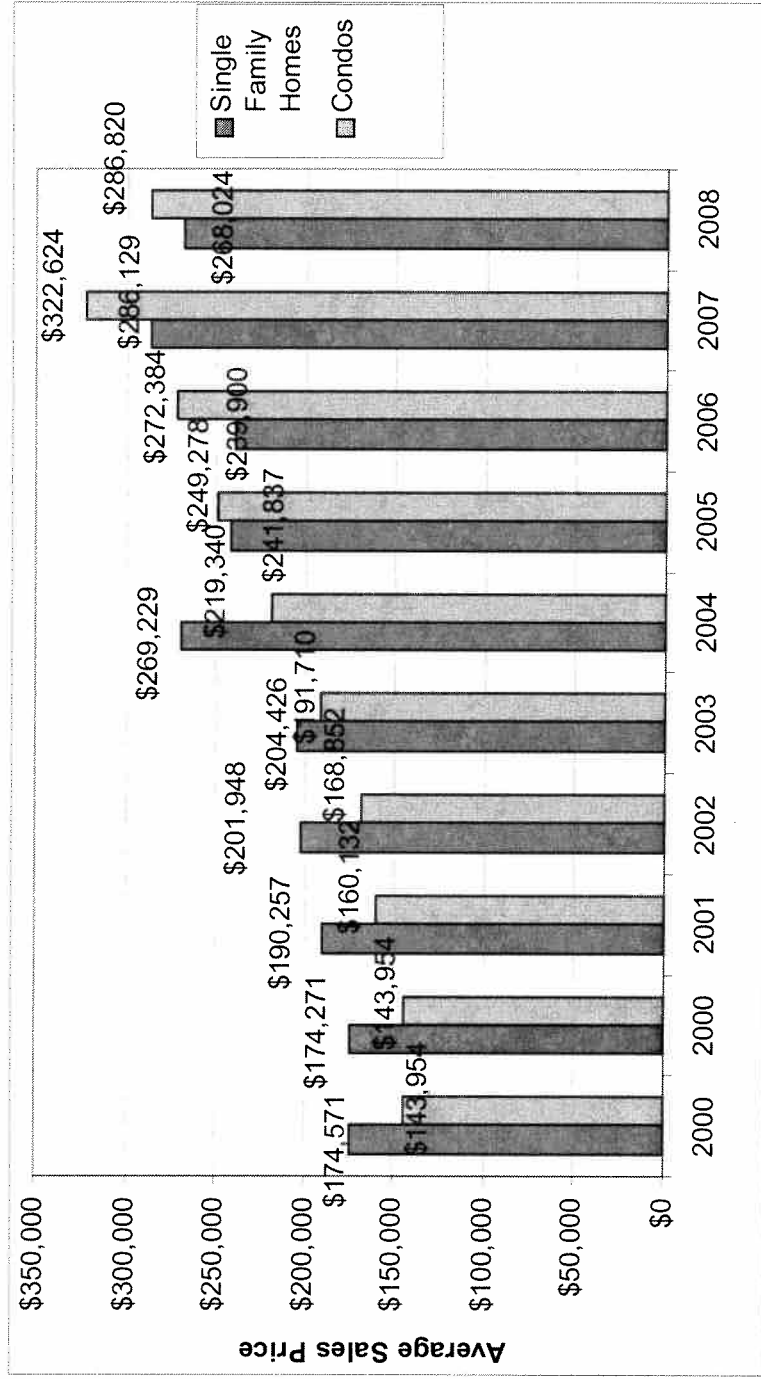
Source: Metropolitan Indianapolis Board of Realtors (MIBOR)

Surveyed area is bounded by 16th St. on the west, Davidson St. on the east and Morris St. on the south.

Note: Includes revised figures from previous years.

In 2008, 45 single family homes were sold, a 20 percent decrease compared to 2007 and a 24 percent decrease compared to 2000. In 2008, 115 condominiums were sold, a 39 percent decrease compared to 2007, yet a 161 percent increase compared to 2000.

Average Sales Price of Downtown Homes and Condominiums



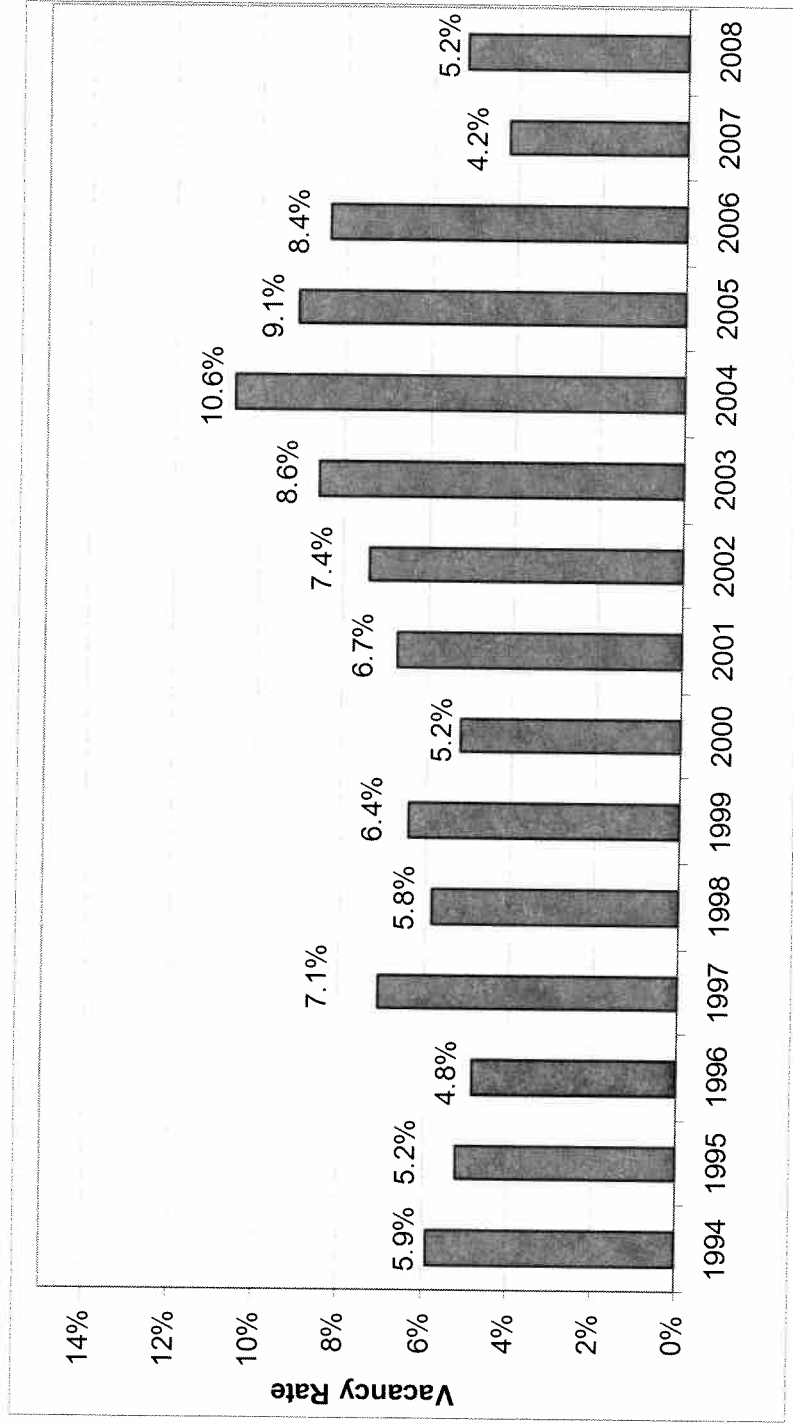
Source: Metropolitan Indianapolis Board of Realtors (MIBOR)

Surveyed area is bounded by 16th St. on the north, West St. on the east and Morris St. on the south.

Note: Includes revised figures from previous years.

In 2008, the average sales price of a single family home was \$268,024, a 6.3 percent decrease compared to 2007, yet a 54 percent increase compared to 2000. In 2008, the average sales price of a condominium was \$286,820, an 11 percent decrease compared to 2007, yet a 99 percent increase compared to 2000.

Vacancy Rate of Class A & B Apartments Downtown



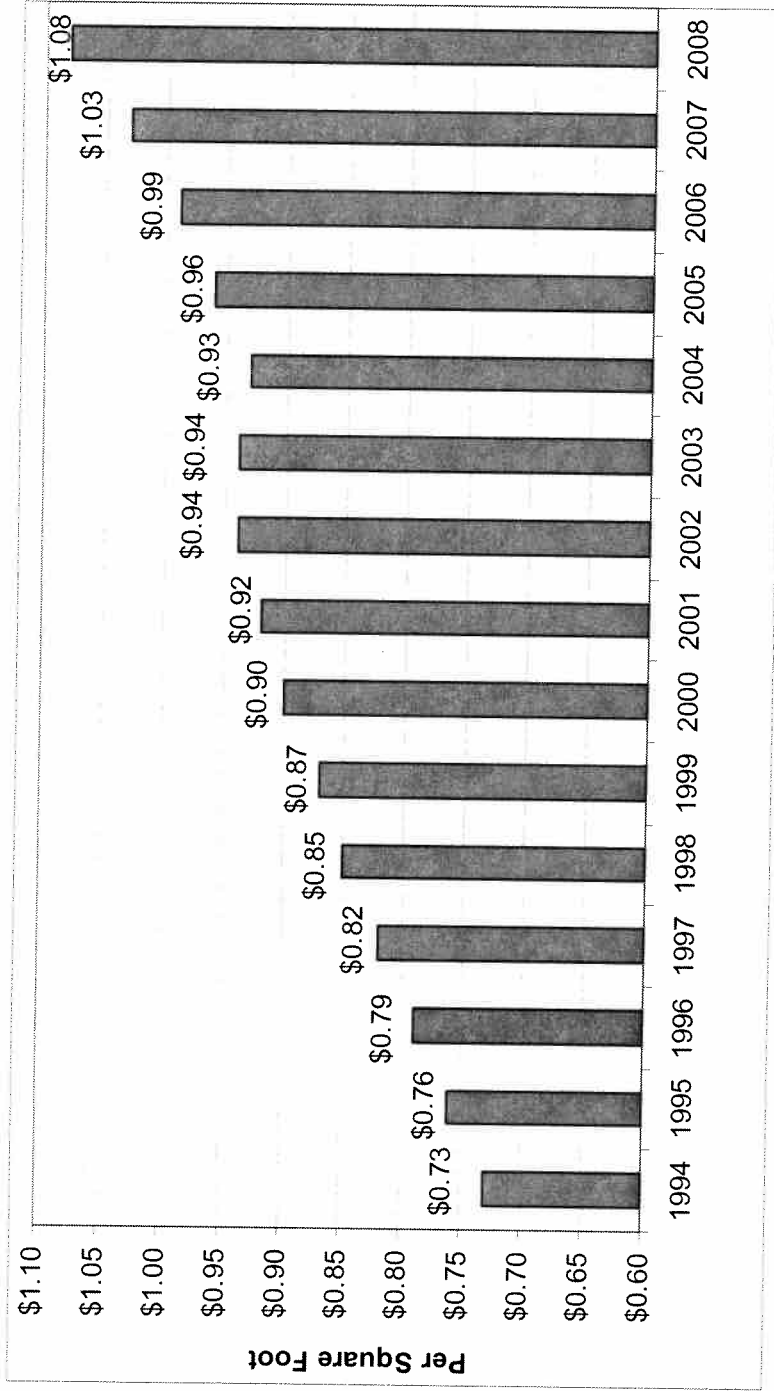
Source: Tikjian Associates Multihousing Investment Advisors

Surveyed area is bounded by 16th St. on the north, College Ave. on the east, West St. on the west and South St. on the south.
Note: Includes revised figures from previous years.

Note: 2008 figures include improved square footage information.

In 2008, the average vacancy rate of surveyed Downtown apartments increased to 5.2 percent, a 24 percent increase from 2007, yet a 12 percent decrease from 1994.

Average Effective Rent per Square Foot for Class A & B Apartments Downtown



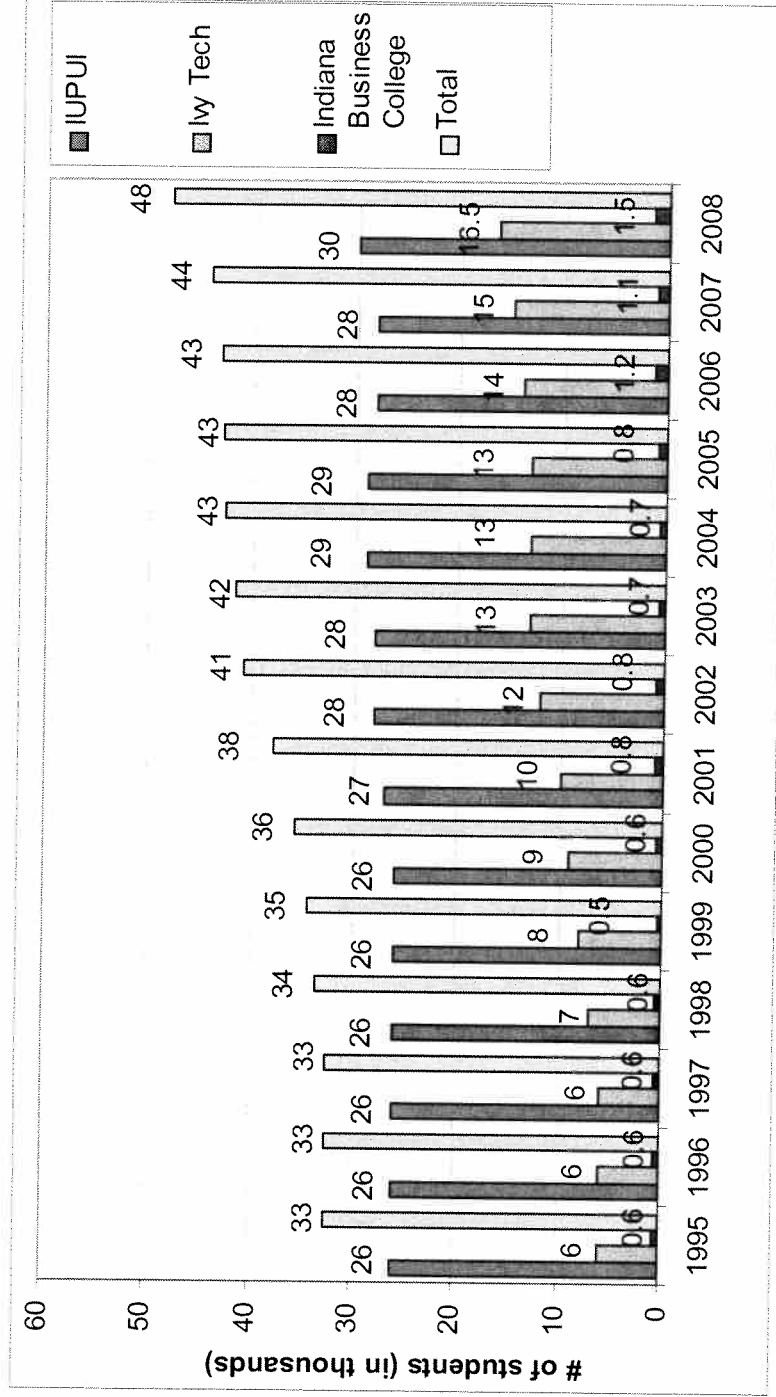
Source: Tikjian Associates Multihousing Investment Advisors

Surveyed area is bounded by 16th St. on the north, College Ave. on the east, West St. on the west and South St. on the south.

Note: Includes revised figures from previous years.

In 2008, the average effective rent per square foot increased 5 percent to \$1.08 compared to \$1.03 in 2007 and increased 48 percent compared to \$0.73 in 1994.

Downtown University Students



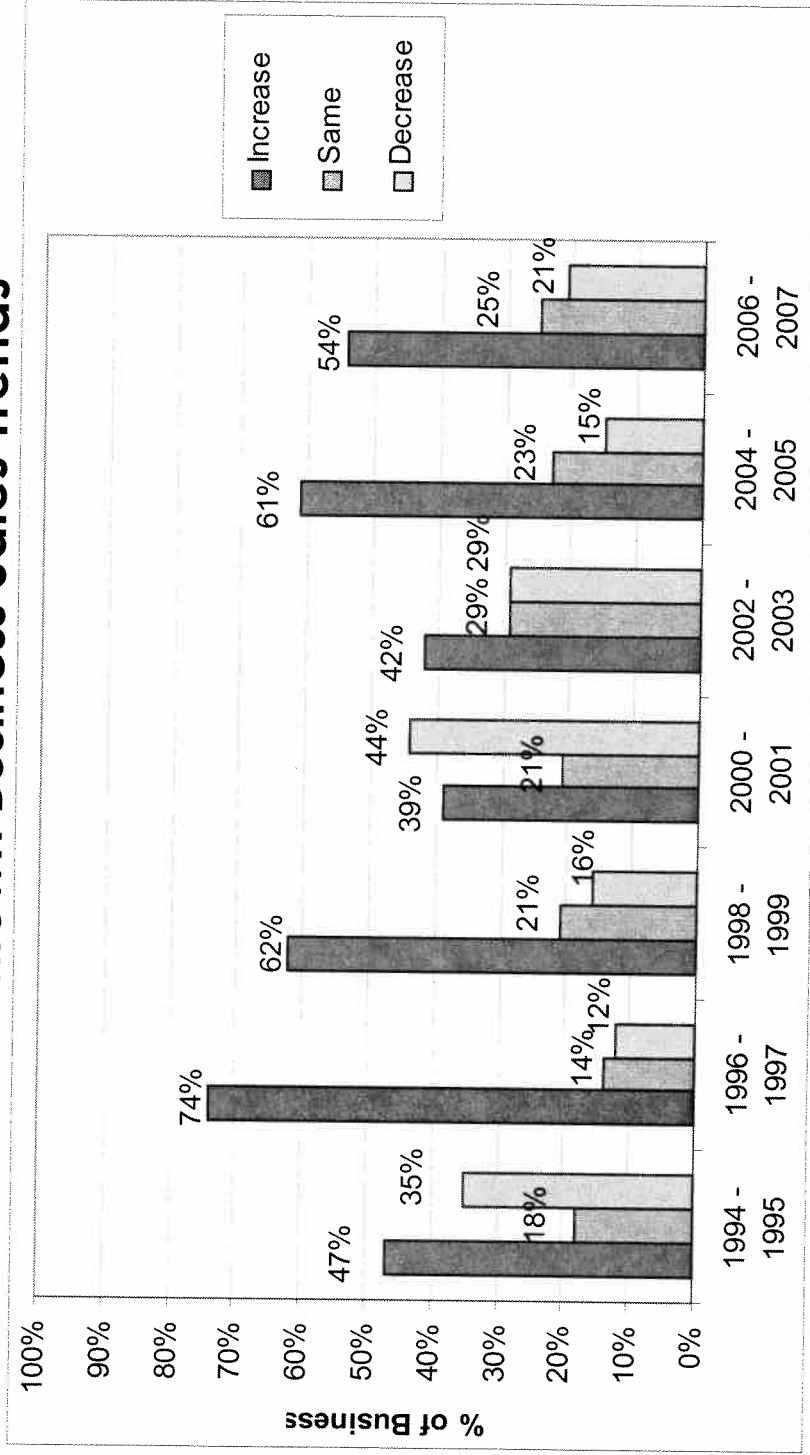
Source: Indianapolis Downtown, Inc.

Note: Fall Enrollment

Note: Includes revised figures from previous years.

- In 2008, combined student enrollment of IUPUI, Ivy Tech Community College and Indiana Business College was 48,331; up 8 percent since 2007 and up 50 percent since 1995.

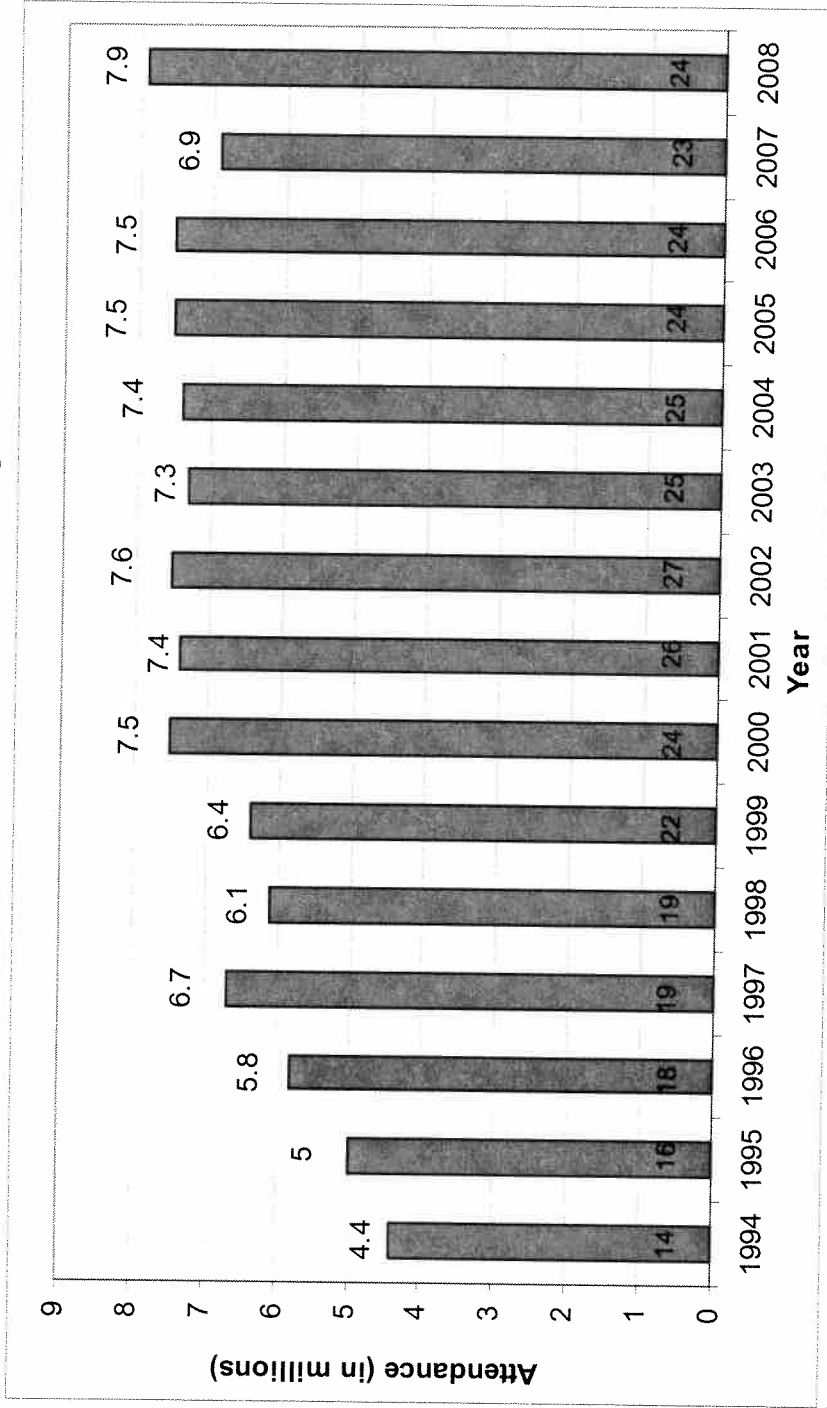
Downtown Business Sales Trends



Source: Indianapolis Downtown, Inc. Biennial Downtown Business Survey - 2008.

From 2006 to 2007, 54 percent of Downtown businesses surveyed reported that their sales increased. This is 7 percentage points lower than the period from 2004 to 2005 yet 7 percentage points higher compared to 1994 to 1995.

Attendance at Downtown's Top Attractions

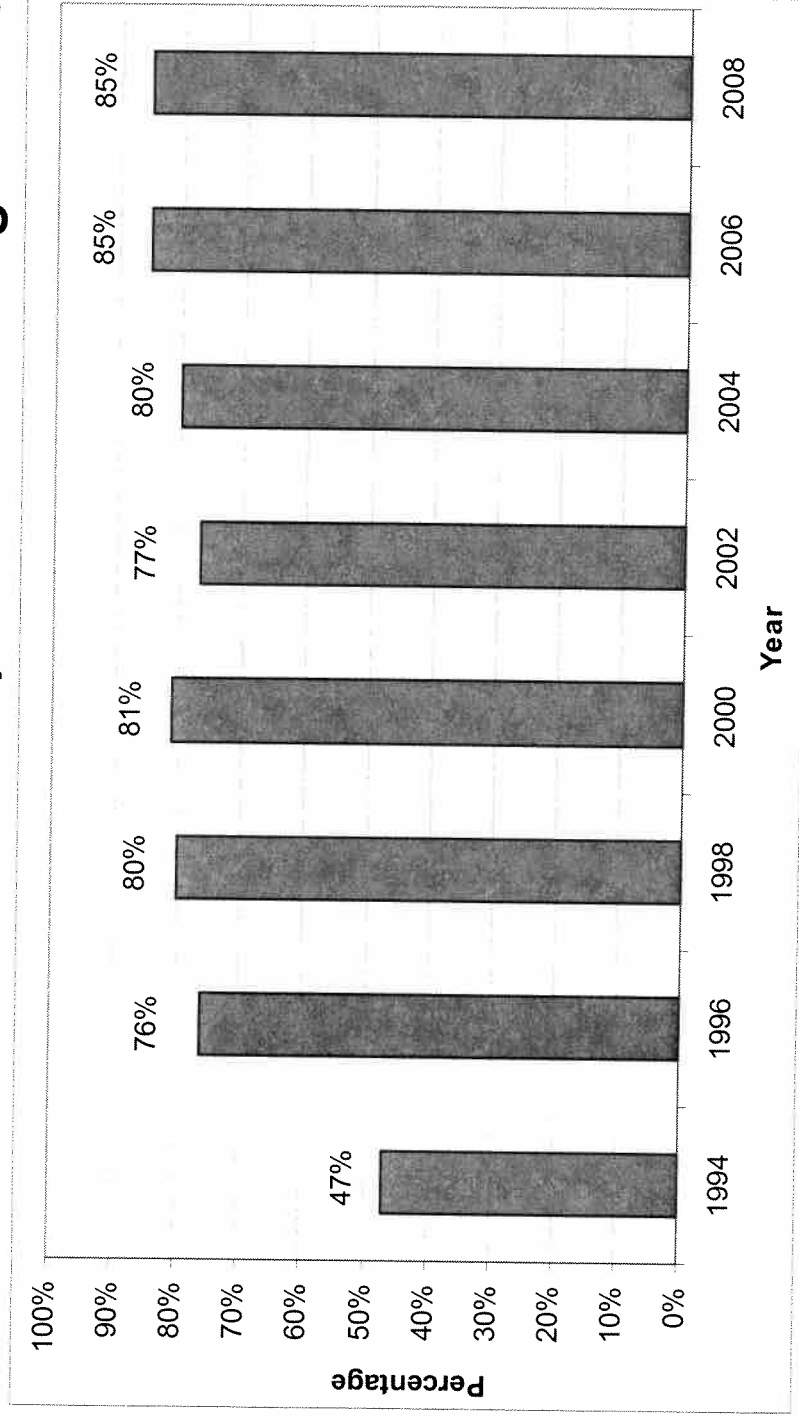


Source: Indianapolis Downtown, Inc.

Note: As of 2008, Circle Centre no longer tracks and reports attendance information. Figures from previous years were revised to reflect this.

In 2008, a total of 7.9 million visits were made to the 24 surveyed attractions. This is up 14 percent compared to 6.9 million in 2007 and up 78 percent compared to 4.4 million visits in 1994.

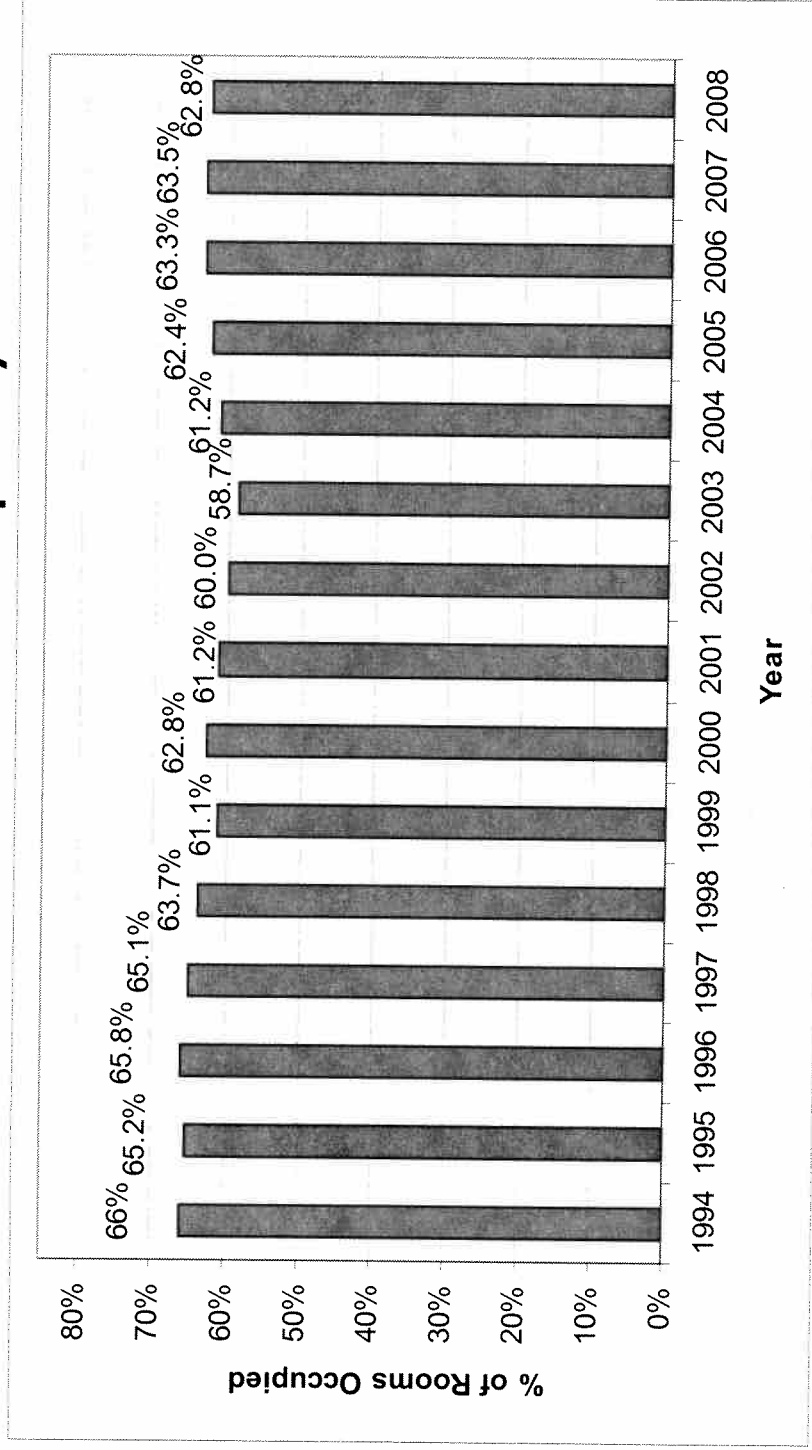
Percentage of Marion County Residents Visiting Downtown



Source: Indianapolis Downtown, Inc. Downtown Biennial Perception Survey - 2008

The percentage of Marion County residents who have recently visited Downtown is 85 percent in 2008 and 2006 compared to 47 percent in 1994.

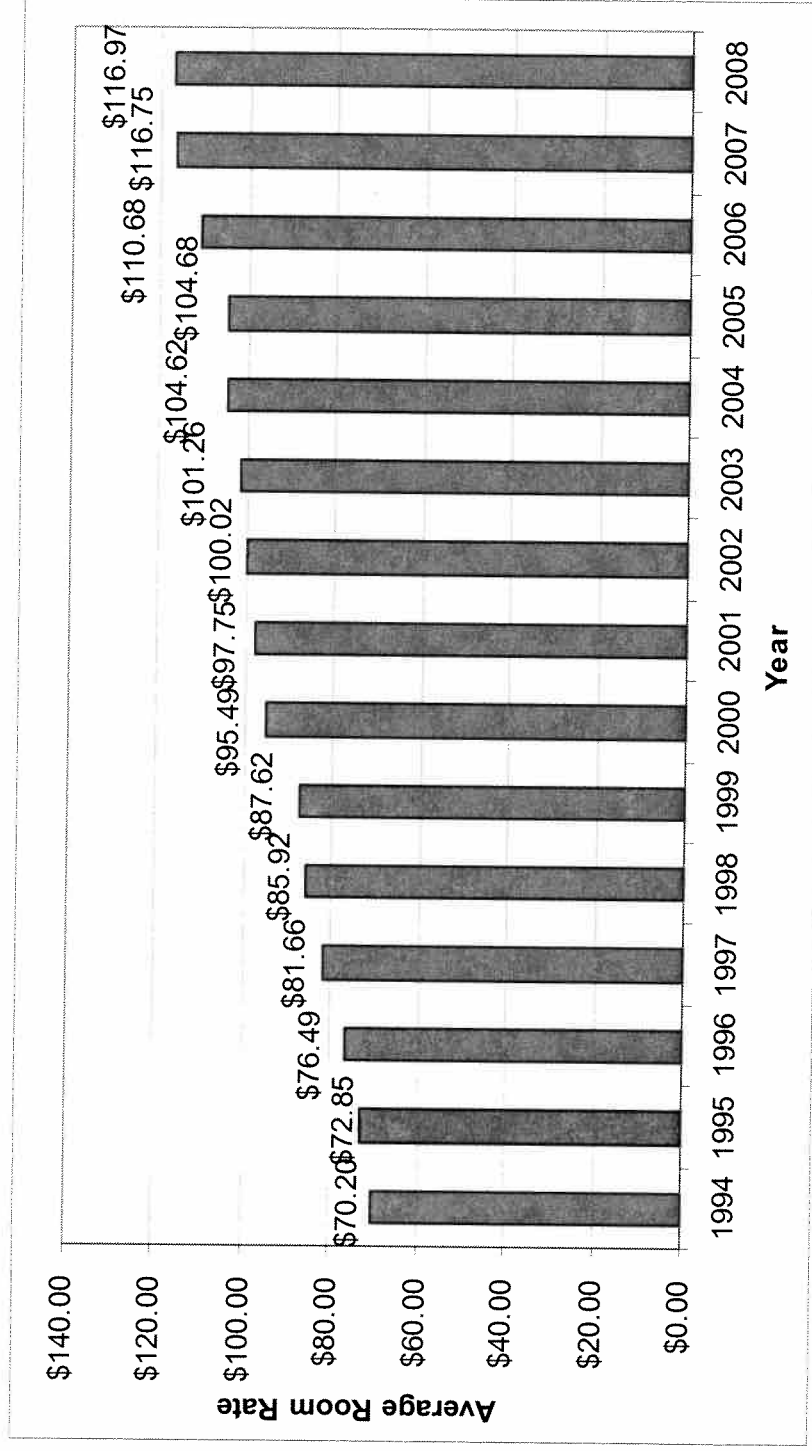
Downtown Hotel Occupancy



Source: Indianapolis Convention & Visitors Association as provided and authorized by Smith Travel Research (STR). No republication of this copyrighted information is permitted without written consent of STR. Figures represent Downtown/eastside data.
Note: Includes revised figures from previous years.

In 2008, hotel occupancy was relatively stable at 62.8 percent compared 63.5 percent in 2007.

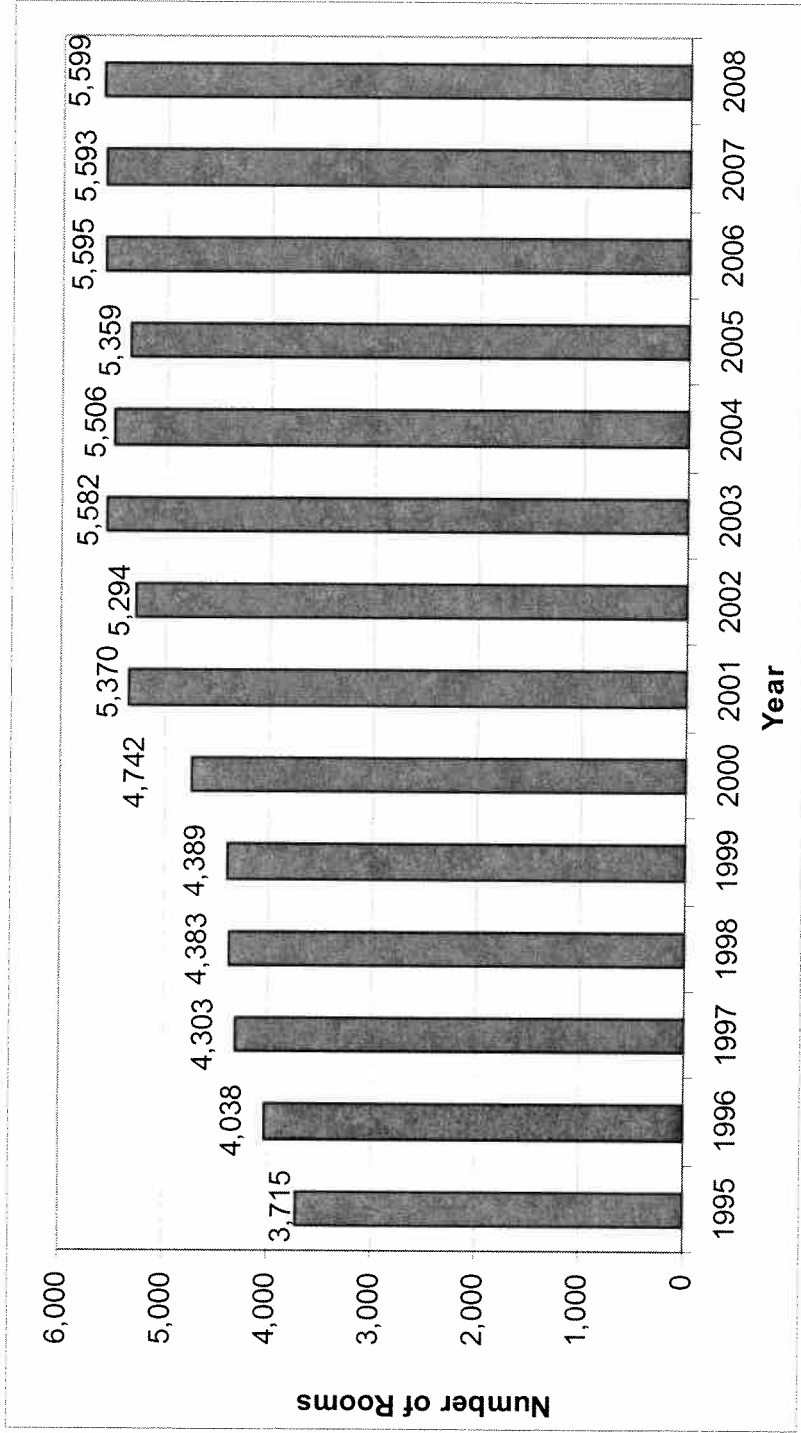
Average Hotel Room Rates Downtown



Source: Indianapolis Convention & Visitors Association as provided and authorized by Smith Travel Research (STR). No republication of this copyrighted information is permitted without written consent of STR. Figures represent Downtown/eastside data.

The 2008 average hotel room rate of \$116.97 was stable compared to 2007 and up 67 percent compared to 1994.

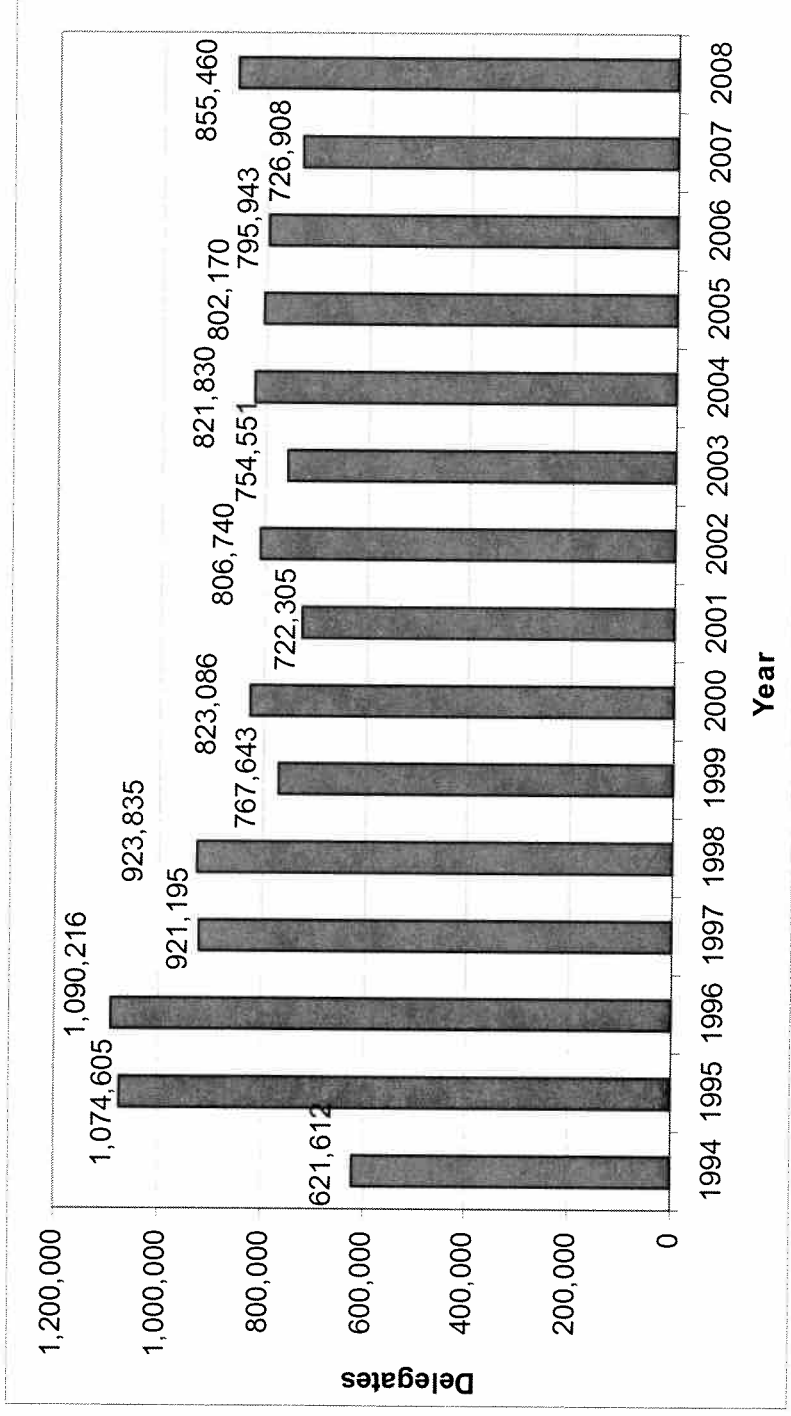
Downtown Hotel Room Inventory



Source: Indianapolis Convention & Visitors Association
Note: Includes revised figures from previous years.

In 2008, there were 5,599 Downtown hotel rooms. There were six more rooms compared to 2007 and 1,884 more rooms, a 51 percent increase, compared to 1995.

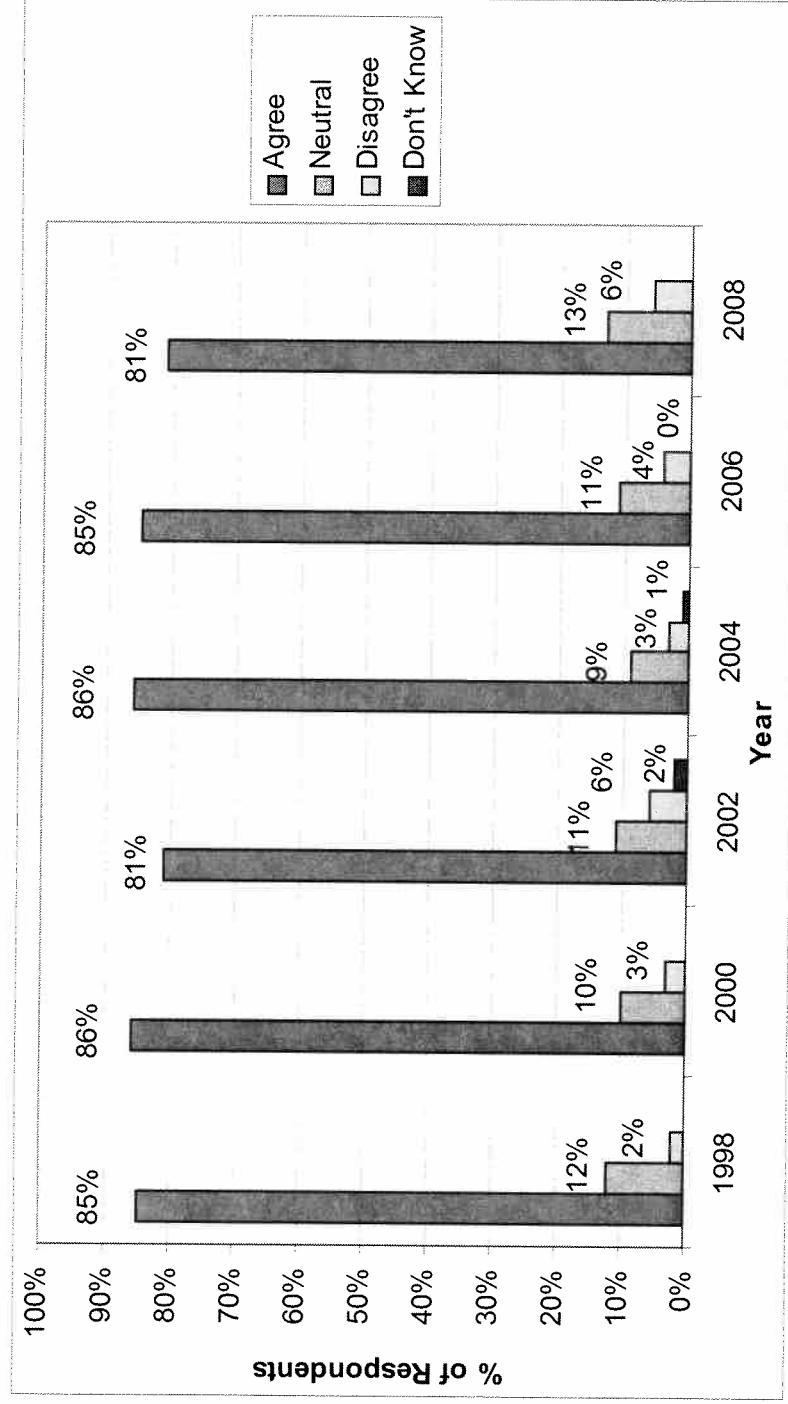
Convention Delegates



Source: Indianapolis Convention & Visitors Association

In 2008, the number of convention delegates increased 18 percent to 855,460 compared to 726,908 in 2007 and increased 38 percent compared to 621,612 in 1994.

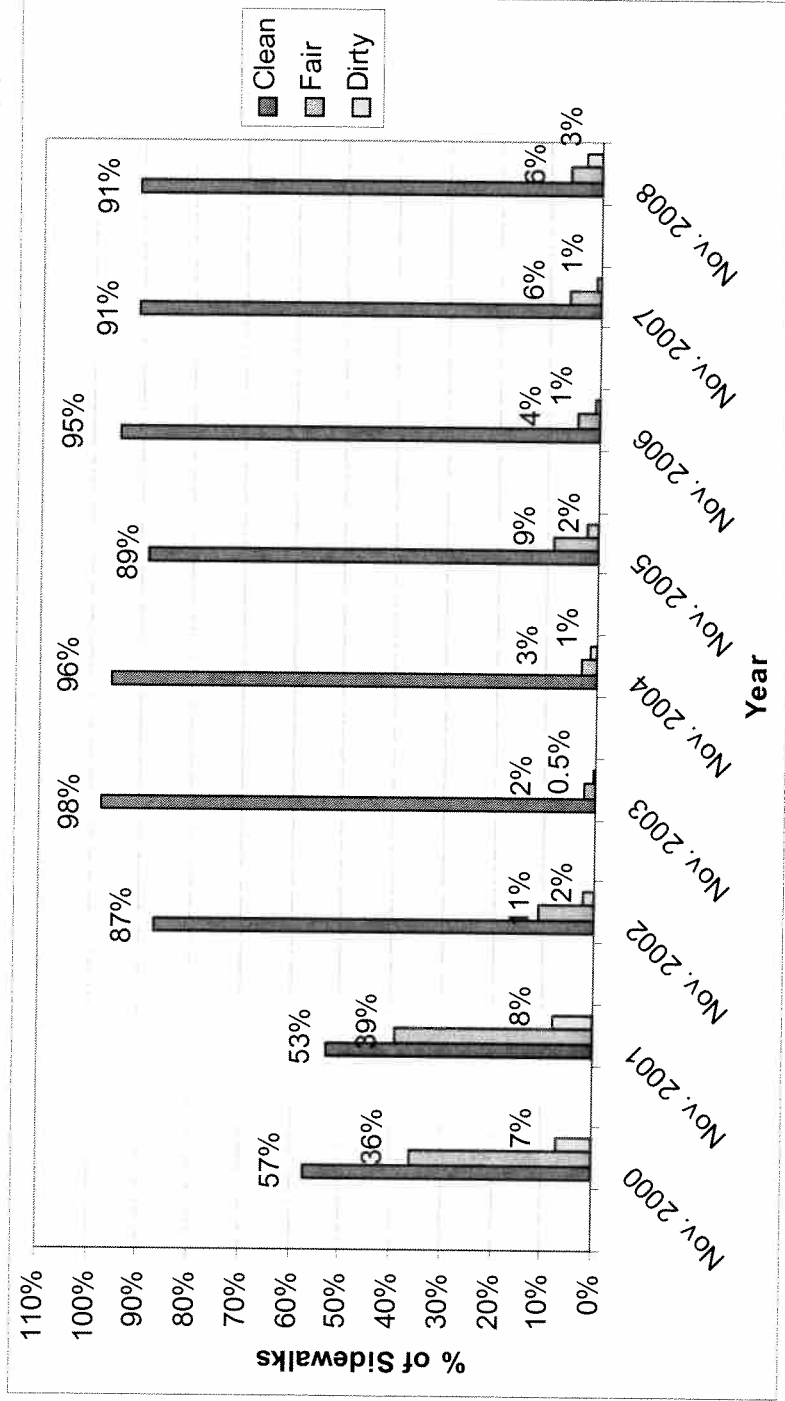
Residents' Perceptions of Downtown Cleanliness



Source: Indianapolis Downtown, Inc. Downtown Biennial Perception Survey - 2008

In 2008, 81 percent of Central Indiana residents surveyed indicated that Downtown is clean compared to 85 percent in 2006 and 1998.

Assessment of Downtown Sidewalk Cleanliness



Source: Indianapolis Downtown, Inc.

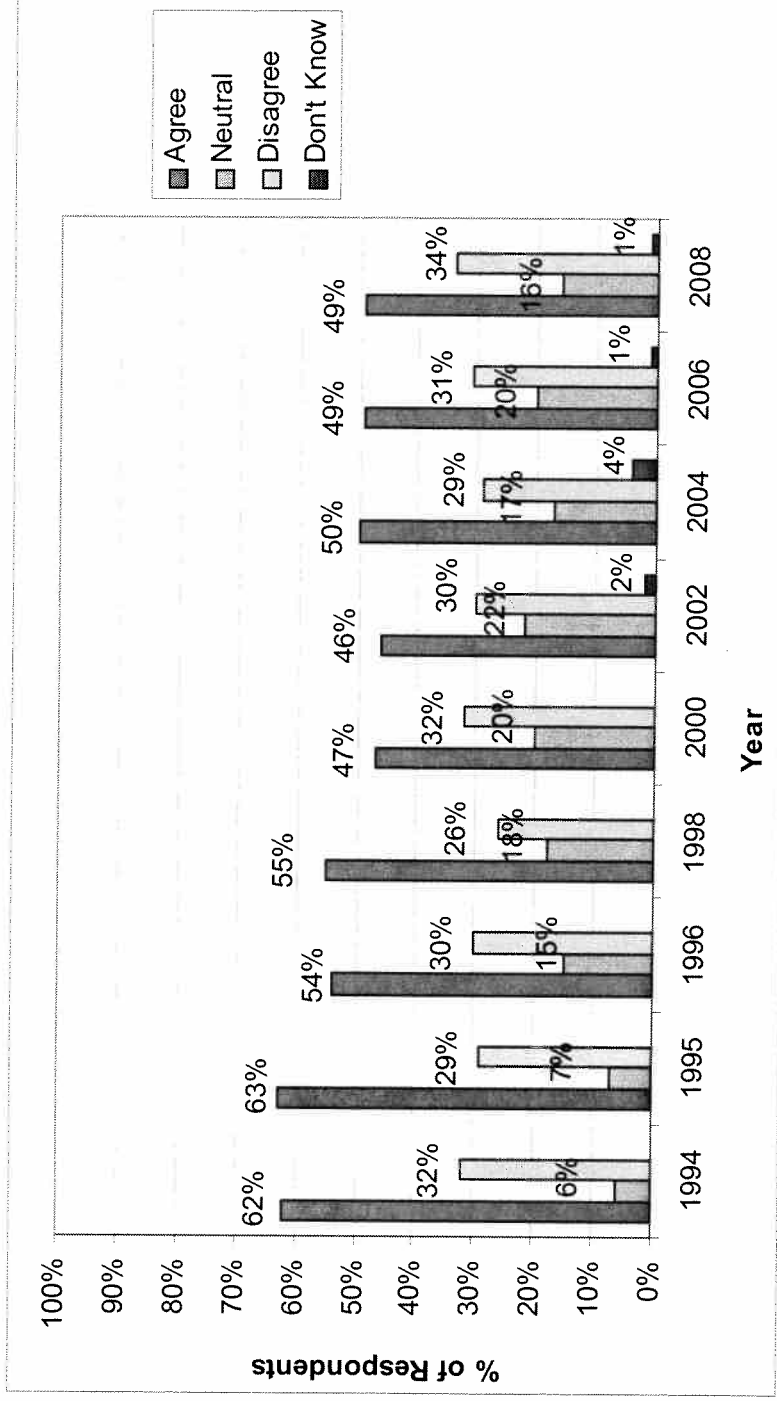
Surveyed area from 2000 to 2002 was bounded by New York St., Delaware St., Capitol Ave. and Louisiana St. In 2003, the surveyed area was increased to the Mile Square.

Note: In 2005, presence of weeds was added to cleanliness criteria.

Note: Assessments are conducted biannually in May and November.

91 percent of sidewalks were rated clean in November 2008, which is stable compared to November 2007. Overall, sidewalks rated clean increased 34 percentage points from November 2000.

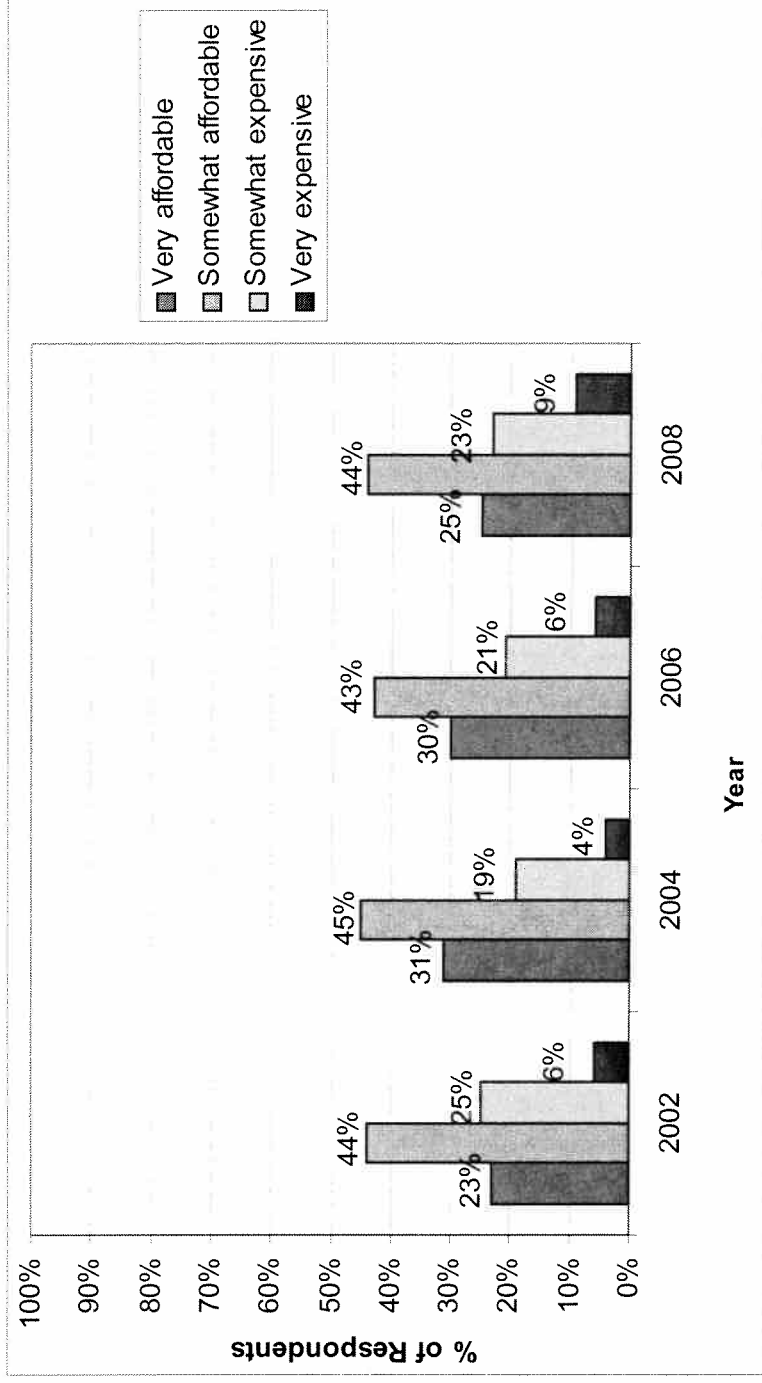
Residents' Perception of Downtown Parking Ease



Source: Indianapolis Downtown, Inc. Downtown Biennial Perception Survey - 2008

49 percent of Central Indiana residents surveyed in 2008 and 2006 indicated that it is easy to find parking Downtown compared to 62 percent in 1994.

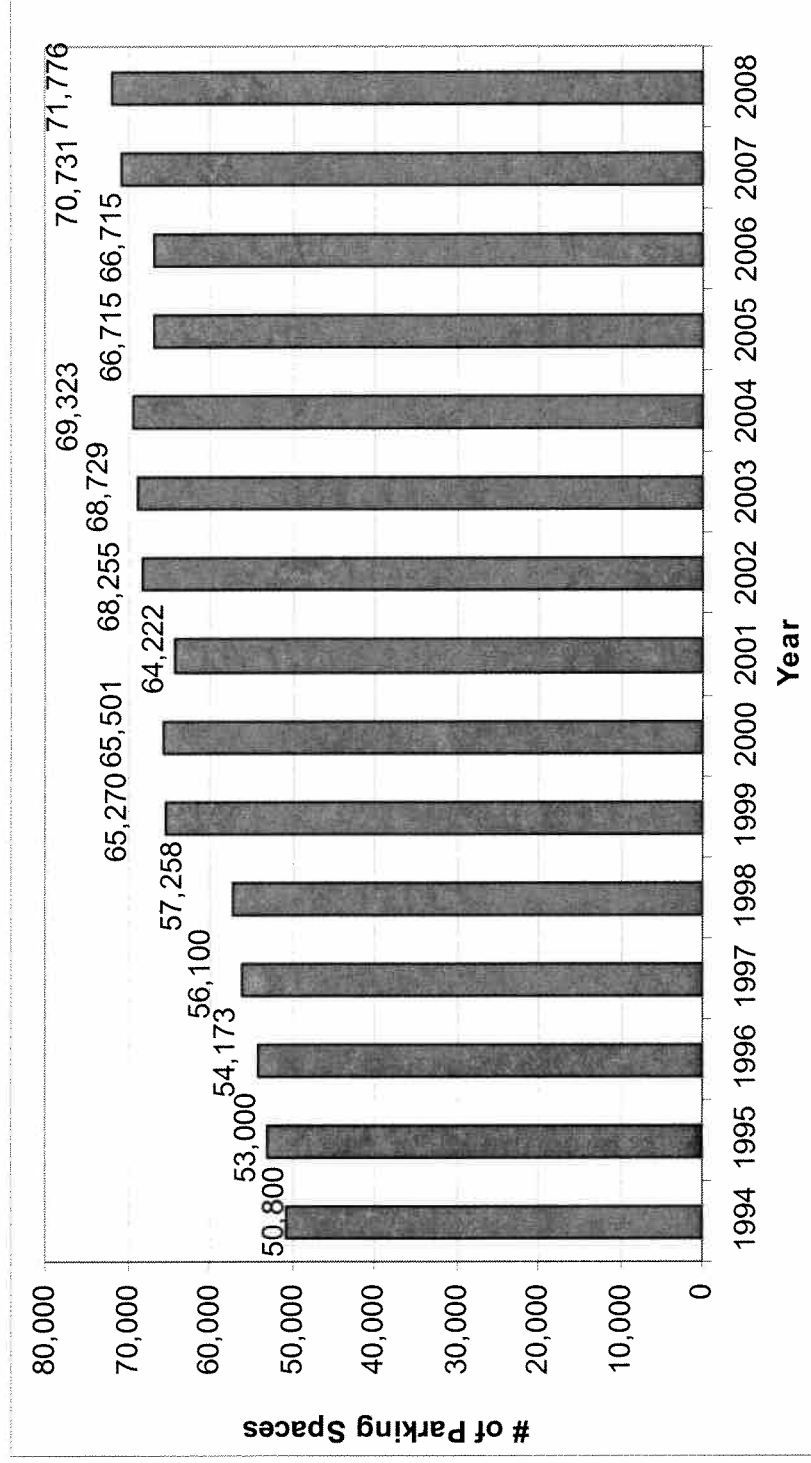
Residents' Perception of Downtown Parking Affordability



Source: Indianapolis Downtown, Inc. Downtown Biennial Perception Survey - 2008

69 percent of Downtown users surveyed in 2008 believe that parking is very to somewhat affordable compared to 73 percent in 2006 and 67 percent in 2002.

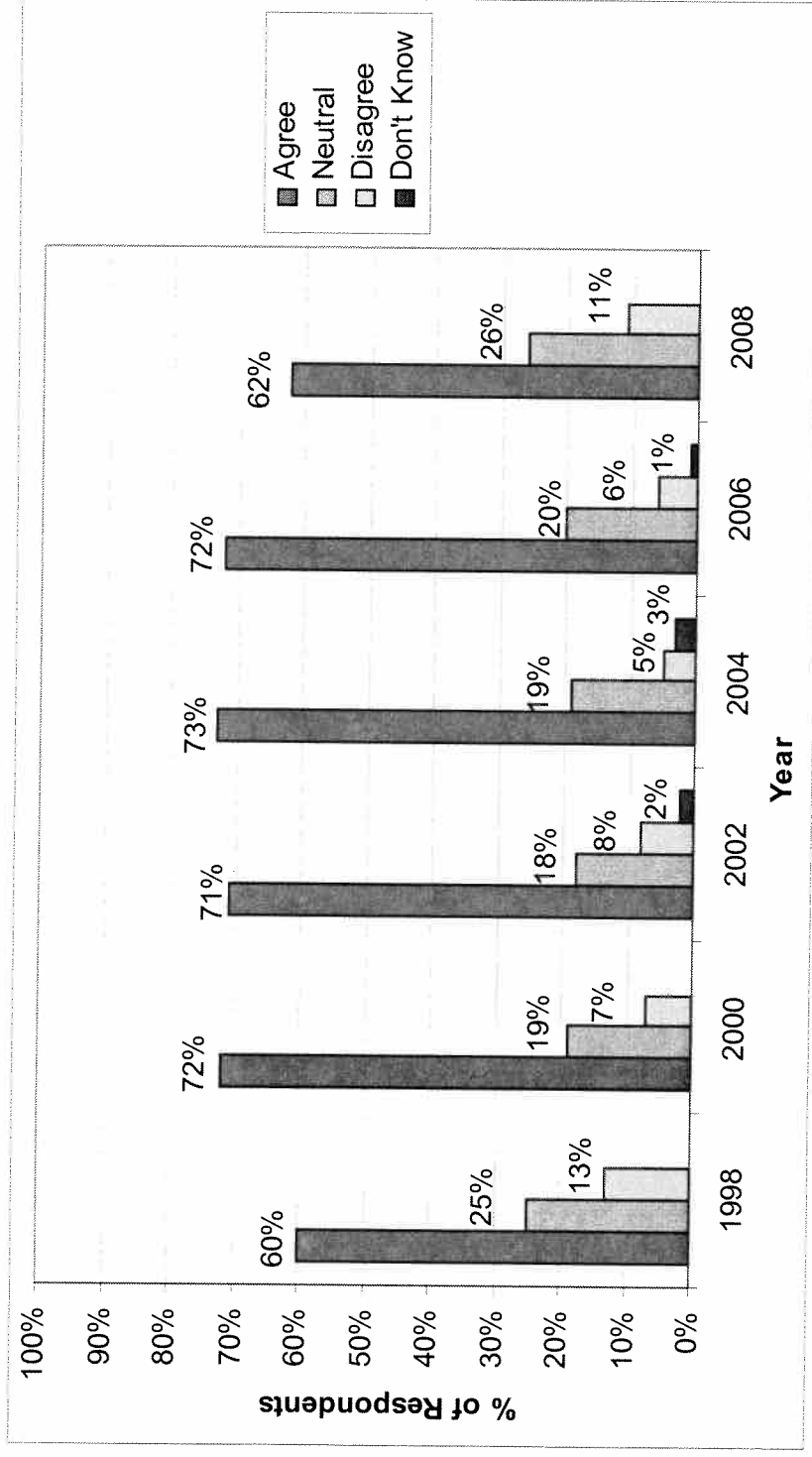
Total Downtown Parking Spaces



Source: Indianapolis Downtown, Inc.

In 2008, the number of parking spaces inventoried Downtown was 71,776. This number represents more than a 1 percent increase of 1,045 spaces compared to 2007 and a 41 percent increase of 20,976 spaces since 1994.

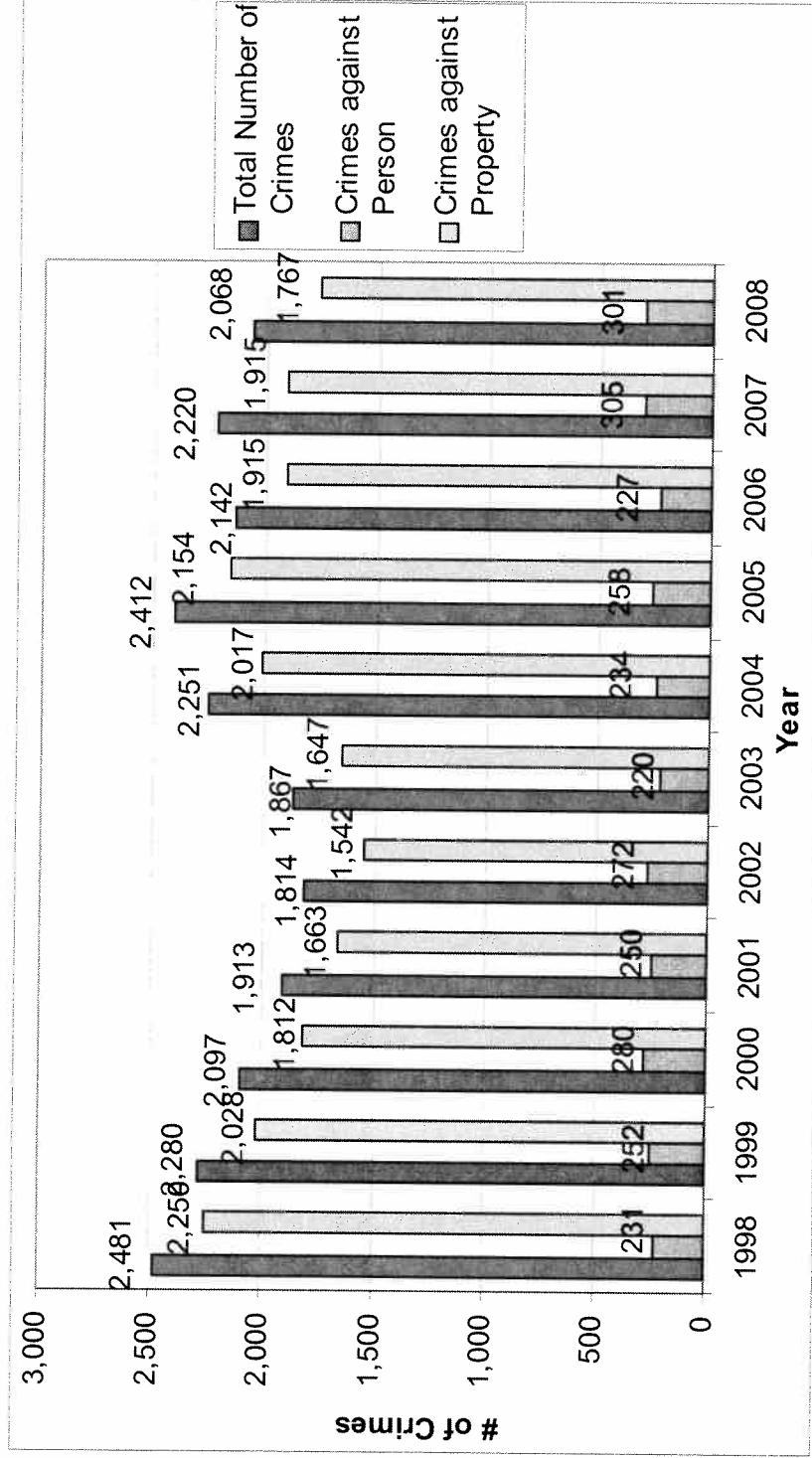
Residents' Perception of Downtown Safety



Source: Indianapolis Downtown, Inc. Downtown Biennial Perception Survey - 2008

62 percent of Central Indiana residents surveyed in 2008 indicate that Downtown is safe compared to 72 percent in 2006 and 60 percent in 1998.

Part 1 Crime Downtown District



Source: Indianapolis Metropolitan Police Department (IMPD) Uniform Crime Report Unit and Crime Analysis Unit as of February 20, 2008
 Note: Before Indianapolis Police Department's (IPD) Downtown District was created in 1997, IDI tracked crime statistics for the Mile Square (see 1999 Indicator Report). Beginning in 2004, IUPUI crime statistics were included. In 2006, IPD Downtown District was bounded by I-65 on the north and east, South Street on the south and White River on the west. In 2007, IMPD Downtown District moved its southern boundary two blocks south from South Street to Morris Street.
 Note: Includes revised figures from previous years. IMPD revises crime statistics as reported crimes are investigated.

In 2008, 2,068 Part 1 Crimes were reported in the Downtown District. This represents 152 fewer crimes, a 7 percent decrease from 2007 and a 17 percent decrease from 1998. Crimes against persons decreased by 4 incidents or 1 percent. Crimes against property decreased by 148 incidents or 8 percent.

City of Indianapolis and Marion County City-County Council
Economic Development Committee

Overview – May 20, 2009

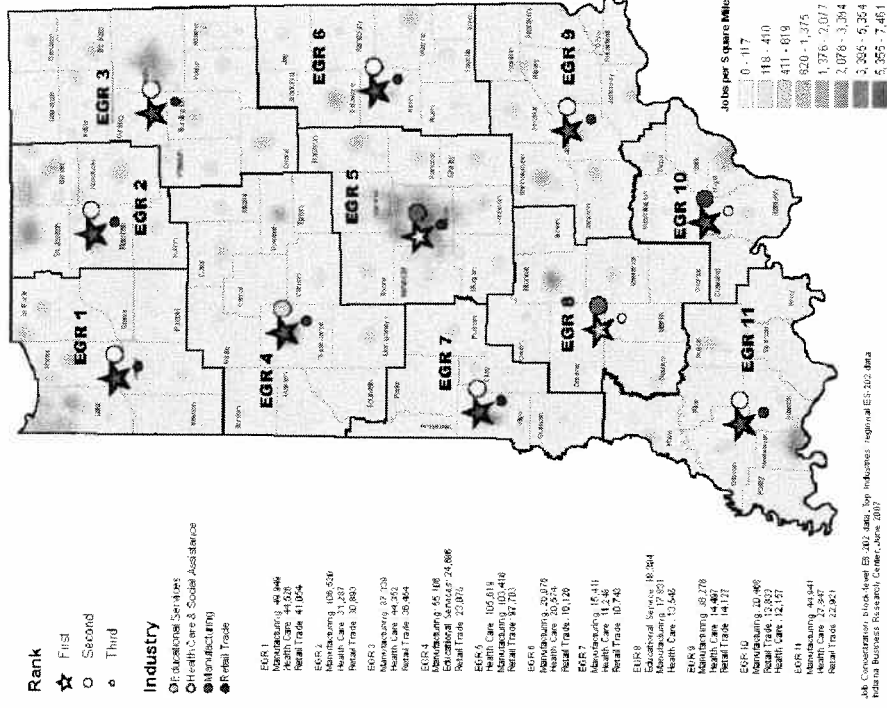
Indiana Logistic Facts

Conexus Initiatives/Accomplishments

Manufacturing is Indiana's economic base

- Manufacturing & logistics – 27% of Indiana jobs, a third of GSP
- 565,000 Hoosiers working in manufacturing
- 75,000 logistics workers embedded in manufacturing operations
- Indiana manufacturing jobs pay 40% more on average than the state's per capita income

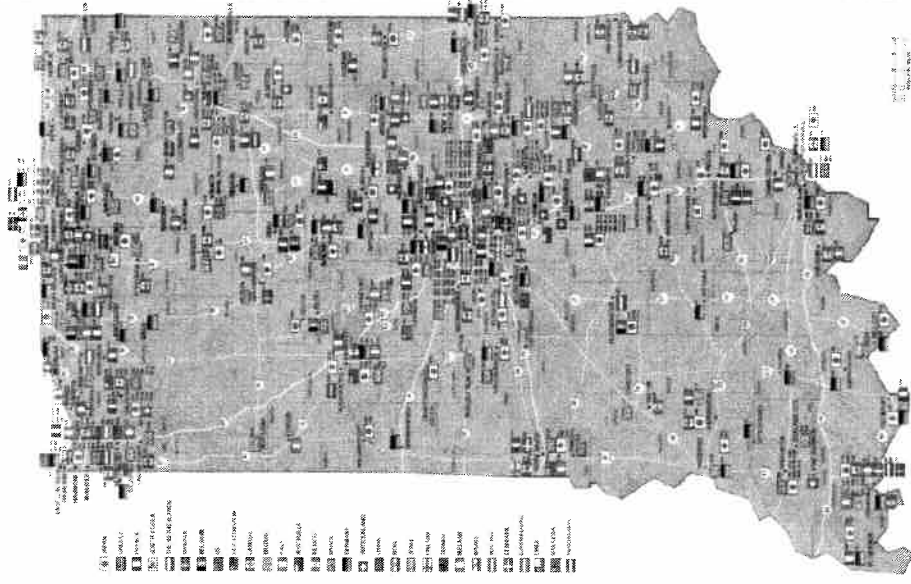
Top Industries by Regional Employment, 2006



Indiana is winning globalization

We're "insourcing" new jobs...

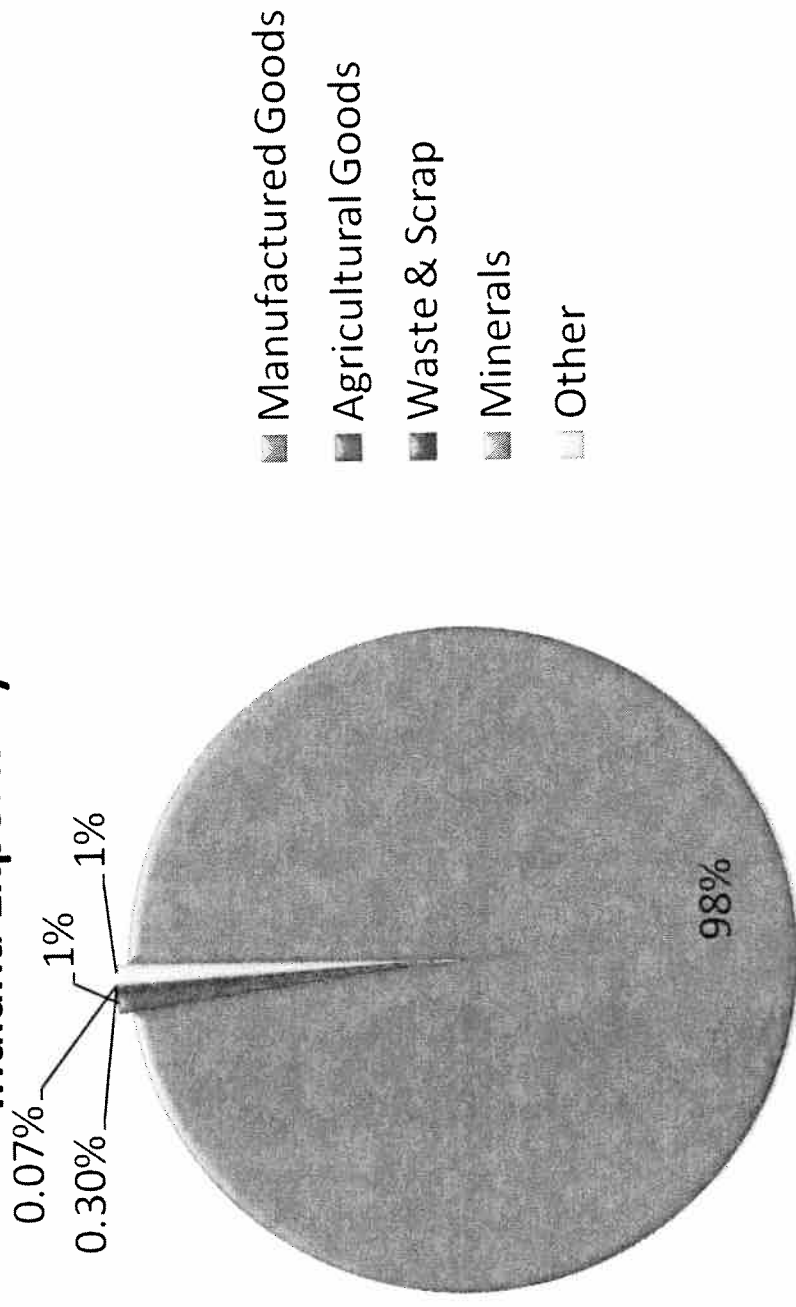
- According to recent IBM study:
 - Indiana #1 in in production jobs created in 2006 through foreign investment
 - Second (behind only Michigan) in R&D jobs
- More than 29 countries have manufacturing operations in Indiana



Indiana is winning globalization

...and exporting our goods around the world.

Indiana Exports by sector 2005

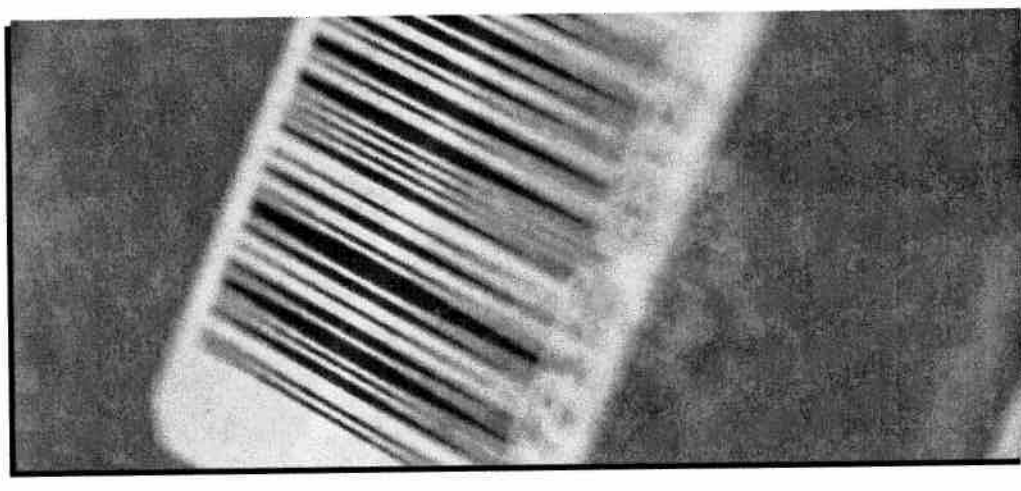


Importance of Logistics

- Logistics employs more than 250,000 Hoosiers.
- An estimate 75,000 more Hoosiers are employed in logistics positions with by the state's manufacturers.
- An increase of 20% in logistics jobs has been predicted for Central Indiana over the next 5 years.
- Logistics jobs on average pay 30% more than the state's per capita income.
- Indiana ranks among the top 10 in interstate access, rail miles and air cargo shipments.
- Indiana also ranks in the top 15 in waterborne shipping.

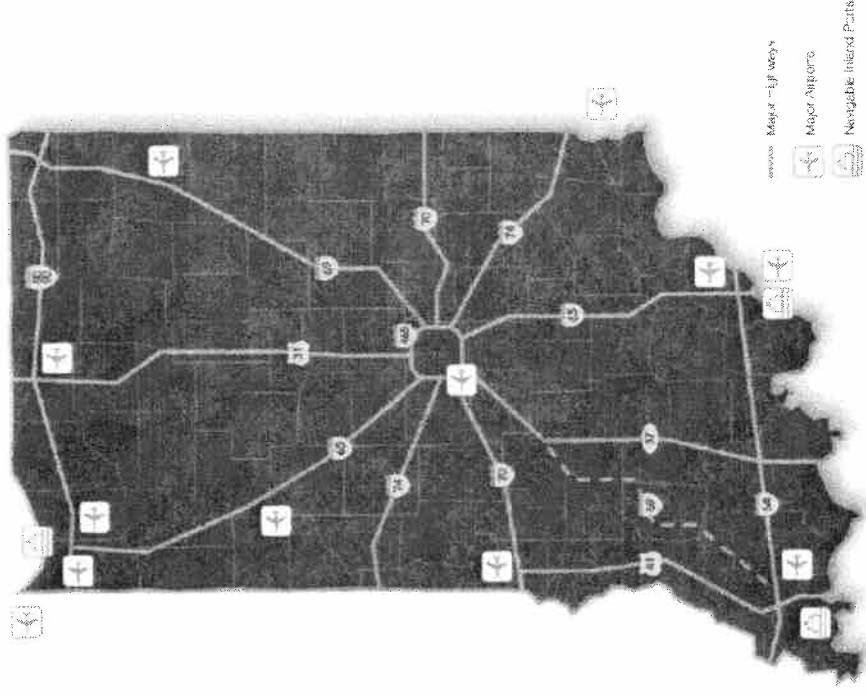
Logistics – Critical Economic Opportunity

- Manufacturing growth drives logistics investment
- Logistics now a \$1.3 trillion industry (10% of GDP) – and U.S. freight volume expected to double by 2035
- Logistics jobs pay an average of 30% more than the state's per capita income
- Logistics yields high-tech opportunities – enterprise management systems, “track & trace” technologies (RFID)
- Logistics cuts across all industry clusters - i.e. Medco – a life sciences distribution operation
- Logistics employment projected to grow 20% in Indianapolis region over the next five years (IPIC)

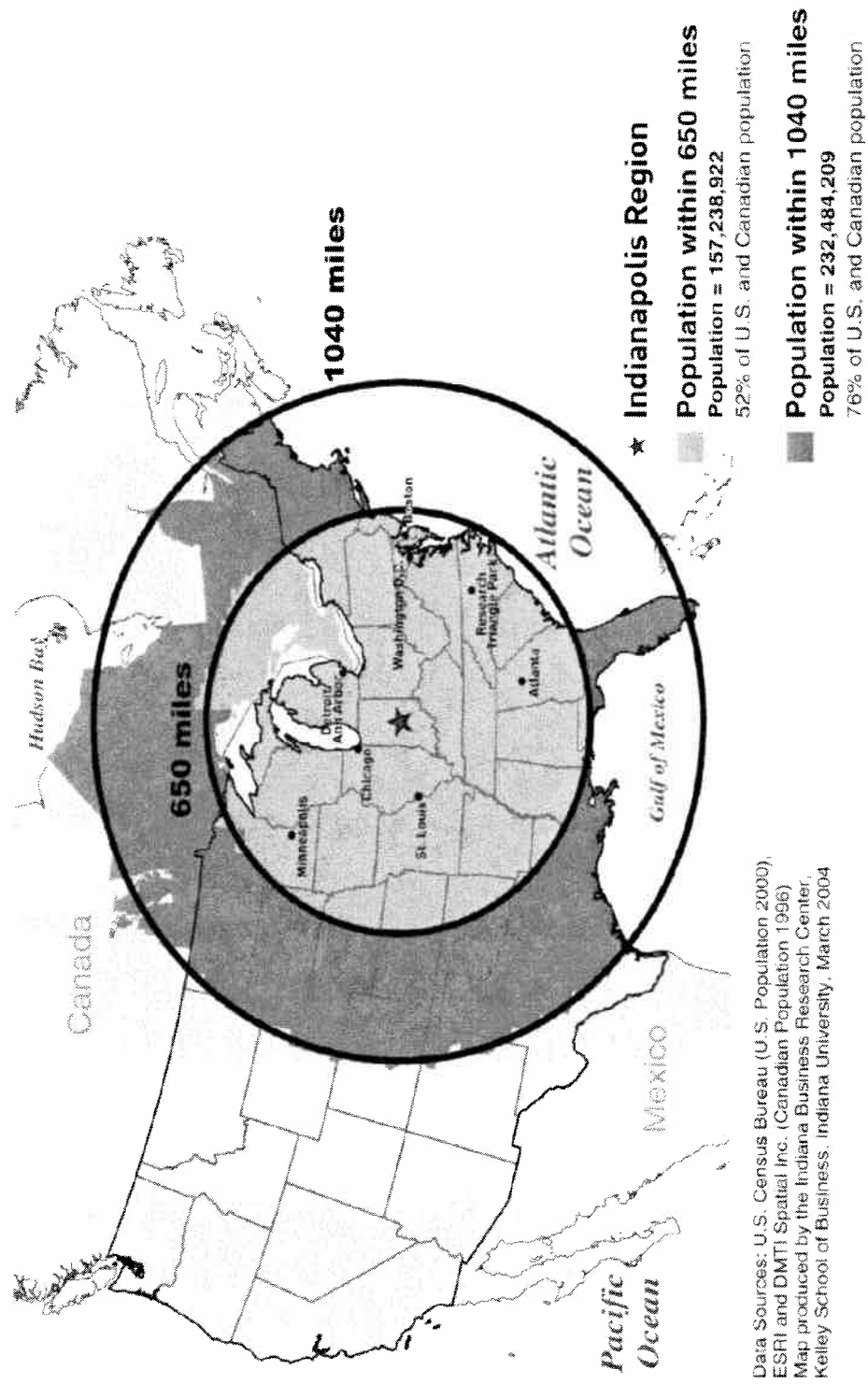


Crossroads of America

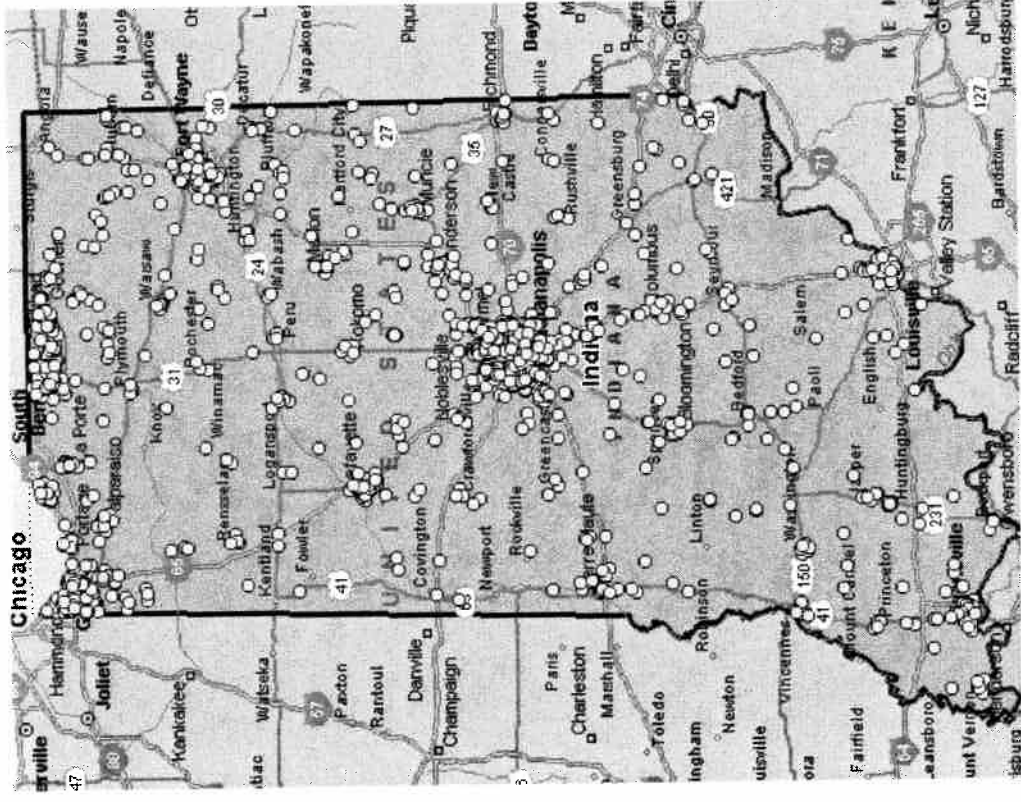
- Indiana also the perfect crossroads for global supply chains, given geography & infrastructure:
 - 1st in interstate access
 - 9th in rail miles
 - 14th in maritime shipping
 - 8th in air freight (Indianapolis International Airport)
 - 2nd largest domestic FedEx hub
 - 75% of U.S. & Canadian populations within a day's truck drive



National Population Overview Map



Indiana Logistics Firms w/25+ Employees



Conexus Indiana Strategic Priorities

- Building a world-class workforce
- Changing perceptions & enhancing public awareness of manufacturing/logistics
- Connections for growth – creating industry initiatives for new business opportunities

Logistics Council Executive Committee

- Formed the Conexus Indiana Logistics Executive Committee (LCEC) by inviting business executives and thought leaders throughout the state in the logistics sector – trucking; rail; waterway shipping; air cargo; warehousing/distribution and infrastructure

LCEC Members

- Mark Howell, Pres. of Brightpoint Americas in Plainfield, Chair
- Noah Sodrel, Pres. & CEO of Sodrel Truck Lines in Jeffersonville, Vice Chair
- Dave Adams, COO for Schneider Corporation in Indianapolis
- Tim Almack, Partner for Katz, Sapper & Miller in Indianapolis
- Jim Birge, Partner for Baker & Daniels in Indianapolis
- Scott Brown, Partner for Katz, Sapper & Miller in Indianapolis
- Mark DeFabis, Pres. & CEO of Integrated Distribution Services in Plainfield
- Chip Edgington, Executive VP of Operations for Red Cats USA
- Dennis Faulkenberg, Pres. & CEO of Appian
- Reggie Henderson, Pres. – Automotive Division for Telamon Corp. in Carmel
- Paul James, Pres. of Hiner Logistics in Huntington
- Kevin Kelly, Pres. of Walsh & Kelly in South Bend
- Andre Lacy, Chairman of LDI in Indianapolis
- Chris Matney, Air Services Dir. for the Indianapolis Airport Authority in Indianapolis
- Don Miller, Jr., Pres. of Mt. Vernon Barge Service in Mt. Vernon
- Craig Newlin, Pres. for Keystone Terminals in Indianapolis
- Bob Palmer, VP for AGFS-Central with Fed Ex Corporation in Indianapolis
- Bruce Payton, Airport Dir. for the Monroe County Airport in Bloomington
- Charlie Podell, Senior VP for Duke Realty Corp. in Indianapolis
- Nathan Sanders, Regional VP for OHL in Plainfield
- Mark Sell, Principal with MD Logistics in Plainfield
- Steve Spaulding, VP-Engine Purchasing & Supply Chain for Cummins in Columbus
- Kerry Stemler, Pres. of KM Stemler General Contractors in Jeffersonville
- David Witzerman, Pres. of Wheaton World Wide Moving in Indianapolis
- Doug Williams, Pres. of Venture Logistics in Indianapolis
- Dan Zuerner, Dir. of Client Services Group for Garmon Construction Services
- Brian Zurawski, Principal of Summit Realty Group

LCEC Mission

- The Mission of the LCEC is to work with a sense of urgency to strengthen the logistics sector in Indiana by indentifying and acting on concrete opportunities for enhancement, which better positions the State to grow existing while attracting new business, thereby creating more jobs.

Development of a Comprehensive Statewide Strategic Plan

- The plan will include strategies to enhance public and private infrastructure, build the human capital needed to support the growing demand for logistics services through innovative workforce programs, develop earned and paid media, and identify federal and state public policy areas that impact the logistics industry.

Formation of LCEC Task Force Groups

- Infrastructure – Dennis Faulkenberg with Appian in Indianapolis, Chair
- Public Awareness – Kerry Stemler with KM Stemler General Contractors in New Albany, Chair
- Public Policy – Kevin Kelly, President of Walsh & Kelly in South Bend, Chair
- Workforce Development – Andre Lacy, Chairman of LDI in Indianapolis, Chair

Desired Results of 4 Task Force Groups

- Infrastructure – Create a comprehensive list for short, medium and long-term road, airport, waterways/ports and railroad projects (along with their cost and stages of development) with statewide impact
- Public Awareness – Create a media and grassroots strategy that will bring better understanding of logistics and its important to the state
- Public Policy - Will identify and recommend innovative public policy solutions (along with their costs)
- Workforce Development - To develop state-of-the art education programs in content and delivery that align with industry needs focused on the middle and advanced middle skill levels and that is valued and recognized by industry.

Work in Process

- **Task Force Groups Completing Phase I**
 - A) Infrastructure/Public Policy
 - B) Workforce Development
 - C) Public Awareness
- **Intermodal (Ft. Wayne; LaPorte; Evansville; Avon)**
 - A) Study Release
 - B) Meeting with IEDC
 - C) CSX Summit
 - D) Next Steps
- **Strategic Plan**
 - A) Summarize Tactical Request
 - B) Statewide Buy-In
 - C) Top Strategies in Place by Fall of 2009
- **Workforce Development**
 - A) Logistics Council
 - B) Development of Curriculum
 - C) Education Providers
 - D) Tech Certifications & Degrees

For more information

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